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ATTEMPTS OF PLO TO NEGOTIATE WITH U.S. CRITICIZED

Cairo AL-AKHBAR in Arabic 15 Aug 79 p 6

[Article by Ahmad Zayn]

[Text] Yasir 'Arafat is trying to establish a dialog with the United States. He plays now on the petroleum-producing countries and now on the West so that he may establish this dialog. He declared in the WASHINGTON STAR that he is ready to begin peace negotiations immediately and directly with the United States concerning the Palestine issue.

Thus Yasir 'Arafat has acknowledged that the United States holds 99 percent of the cards for the solution, that a mutual understanding with the United States is necessary to solve the Palestine issue, and that the route which Egypt chose after the issue had remained in the Soviet Union's deep freeze for more than 20 years is like an article of merchandise in which he is trying to trade by spreading his influence over the Middle East. He has made one of the areas of Soviet control and influence, and once more by trading on the peoples of the Arab world in international diplomacy, by realizing gains in mutual understanding with the United States or other countries at the expense of the Arab nation, a merchant who takes but does not pay anything or do anything.

Egypt has been able--and if the Palestinians have forgotten, we shall remind them--to make the Palestinian issue an international issue of the first rank. It was President al-Sadat who gained world public opinion for the Palestine issue; it was he who made the issue clear to the world when the world had not understood it; it was he who was able to turn the issue from one of refugees into one of a people who want to regain their nation and their land; it was he who made it possible for 'Arafat to speak before the United Nations; it was he who was able to win public opinion for the refugee issue; and it is he who is now negotiating to put the Palestinians on the road to self-determination.

It was Egypt that did all this. It was Egypt that developed the Palestine issue from merely a budget for aid to the refugees into an issue of a people which should determine its own future and rule itself. This was done through an arduous labor and a frightful effort on behalf of nobody but

that Palestinian people which lives in refugee tents in Lebanon under Israeli occupation on the West Bank and in Gaza, this people which asked President al-Sadat to help it to get its sons released from the prisons of Israel, to bring back the emigrants and bring families together again, and to set up the Palestinian nation, which will guarantee an honorable life for these persons. As for those leaders, such as 'Arafat et al, they do not want this settlement, because the existing situation enables them to play with millions, and they are living the life of kings. For them, any restoration of the Palestinian nation would mean poverty and dire want, but, as things stand at present, it may be that one of the leaders of the Palestine Resistance will leave millions of pounds when he dies. This shows the truth and the devotion of the Resistance in the jihad to dollars, riyals, and dinars.

Thus, whereas we have made the Palestine issue an issue of liberating the people, they have made it one of trading in the blood of a people. We have made it a name that should resound throughout the world, but they have made the Palestine liberation organizations a name that gives rise to woundings, killings, aircraft hijackings, the taking of women and children as hostages, and every act that is not confirmed by morality and does not satisfy Islamic law. We have made the Palestine issue into definite points which would end the Israeli occupation and create a Palestinian self-government in preparation for self-determination, but they have turned it into mere slogans to be uttered and into crimes of assassination against Arabs. We have made the issue an attempt to change the status quo and not to surrender to the Israeli occupation of the West Bank and Gaza, but they have tried to establish the Israeli occupation and make it a fait accompli by opposing every attempt at solution and by obstructing every way that leads to the restoration of the occupied territory.

'Arafat has stood with voices behind him and in back of him that have contradicted their own intelligences by prating about what they do not understand and braying about what they do not comprehend. They have stood menacing Arab kings and presidents with revolutions and assassinations if they should try to reach a mutual understanding with the United States to solve the Palestine issue, calling themselves a Steadfastness Front that would liberate Palestine by force within weeks.

The Steadfastness Front fell amongst the carnages of Saddam Husayn, the treasons of Hafiz al-Asad, and the defeats of al-Qadhdhafi, and now they are all facing ruin. The whole problem is to get the Security Council to issue a decree and then to get the Arab nations to ask for a dialog between the United States and the Palestinians. First they clamor, and then they go right back to the same way that we have traveled. This happened in the outbreak of the first conflict and in the outbreak of the second conflict, and it will happen in the peace negotiations.

WORLD SAID LOSING CONFIDENCE IN FUTURE AS RESULT OF OIL CRISIS

London AL-HAWADITH in Arabic 6 Jul 79 pp 20-21

[Article by Salim al-Lawzi: "Who Puts His Gun in Whose Head: OPEC, Industrial Countries or International Terrorism"?]

[Text] It is not my habit to attend international conferences dealing with oil and financial affairs, except occasionally. I am not an expert on economic affairs and I do not claim that I understand their mysteries, symbols or secrets. It so happened in September 1977 that I was in the U.S. capital for the opening of the office of the magazine EVENTS. The IMF annual conference, which is usually attended by most of the ministers of finance and economy and by liquidity experts in the world, was being held there at the time. So I told colleague Jalal Kishshik: "What do you say to attending the conference and enjoying interviews with the largest number of prominent names in the world of finance and investment. We may learn here what we have missed learning in years"?

In fact it was easy for any journalist to contact any of the financial geniuses who were meeting at the Sheraton Park Hotel. Guards were nonexistent and entry to the meeting halls was extremely easy.

Last week, the experience was repeated. I was in Geneva accidentally when the OPEC conference was meeting and I decided to push my nose into the energy issue which most commentators say is threatening the world with a third world war. But as soon as I got to the Intercontinental Hotel where the conference was being held I found out that just entering the hotel requires long and complicated, and moreover unguaranteed, measures. The hotel was surrounded by hundreds of Swiss soldiers wearing their steel helmets and combat uniforms and bearing automatic weapons and on the alert, in addition to five tanks, four of them stationed at the crossroads and one at the hotel's entrance. Since the kidnaping of the OPEC ministers in Vienna in 1975 by the international terrorist known by the name of Carlos, the ghost of terrorism has been occupying the 14th seat in every conference held by the OPEC ministers. The countries hosting the meetings of the oil producing states do not know

whether they should protect the members from their fears or from the journalists, the observers and the oil and energy experts who jam the conference halls and lobbies. The mentality of safeguarding security considers whoever is not a member of the OPEC a terrorist plan [sic] until proven otherwise.

The idea prevailing in the heads of numerous observers and reporters (and a reporter in this case is different from a journalist) was that the OPEC countries are the basis of the world economic crisis and that they are the ones who cause the explosion threatening the security of the industrial world, the ones acting with total irresponsibility and the ones putting the gun of higher prices in the world's head, exactly as the terrorist Carlos did with the ministers of oil he had kidnaped and taken in a plane that flew over the Middle East several times.

This makes the OPEC--and when the OPEC is mentioned the Western thinking turns immediately to the Arab countries--an easy prey to the charges that the surplus oil money accumulated by some oil producing countries seems to be in excess of their need, that these countries do not know how to invest this money and that their inability to use it causes an obstruction in the international currency veins, thus contributing toward the deterioration of the value of money and creating crises that usually lead to wars.

These are exaggerated, not to say unjust, accusations. Those who have followed up the international conferences held by the Americans and the West European countries both before the Geneva conference (the Strasbourg conference) and after it (the Tokyo conference) [are aware] that these conferences failed to reach agreement on an energy austerity program and that the Europeans (particularly the French) have not hesitated to accuse the Americans of not being prepared or not being able, it makes no difference, to convince their people to sacrifice some of the luxury in which they gallop!

The cause of the latest crisis that has made oil prices rise by nearly 80 percent, and in some cases by 200 percent (it has been said that some countries bought the barrel of oil for \$50 at the Rotterdam free market), is the drop in production resulting from the Iranian crisis. At the outset, the shortage was within the limits of 5 million barrels daily. When Iranian production was resumed at half its previous rate, the shortage dropped to nearly 2 million barrels daily in the past 3 months. This has caused the fear of insufficient supplies to dominate the Rotterdam free market and raise the price of a barrel of oil, by force of the law of supply and demand, to nearly \$50. This is what tempted the OPEC countries to hold a special conference last April and to decide to raise the price of Saudi oil to \$14.55 per barrel while giving the other producing countries full freedom to add surcharges to their oil prices which they deem to be in line with their interest.

This constituted the peak of the crisis. The OPEC was created fundamentally to unify the prices. But since the Doha conference of December 1977, the oil producing countries have split into hawks and doves. The hawks insisted

on the 10 percent increase whereas the doves were content with the 5 percent increase. Since that date, two schools have arisen within the OPEC. One of these schools proceeds on the basis of an economic thinking that says: "The law of supply and demand is a Western law dear to the heart of the industrial world, so why should we not apply it to this world as long as it applies to us? Moreover, the only way to compel the United States to exercise discipline and austerity in oil consumption--the precious and depletable commodity--is to raise the prices to a limit that will force the Europeans and the Americans not to use their cars, for example, except when necessary. Shaykh 'Ali al-Sabah, the Kuwaiti minister of oil, even used the word 'the shock' that the West needs to give up its excessive luxury. This school was led by Iran under the shah's regime and then came Khomeyni's regime to make things worse, considering that this regime has not been content with reducing production but that it has also insisted on raising the price of its oil to nearly \$22 per barrel."

The second school proceeds on the basis of a political thinking that says: "Oil is not only an economic commodity but is also a vital commodity for the world, like bread and water. If you withhold these commodities, if you produce of them less than the people need or if you raise their prices beyond what they can afford, then people will inevitably attack the bakeries and the water wells. The story of oil is a serious one and it should not be tampered with irresponsibly. Moreover, the OPEC countries should not act as if they were oil merchants in the Rotterdam market. The economic ramifications of an unbearable increase in prices harm the entire world and not the industrial world alone. These ramifications may even force the industrial countries to take drastic measures as a result of despair." This school has been led and continues to be led by Saudi Arabia. At the Geneva conference, Dr Zaki al-Yamani was compelled to deliver to his colleagues a detailed lesson on the serious consequences that may arise from a drastic price increase. It is said that he used the word "desperadoes" which is a Latin word used to describe some fighters in South American countries who reached such a stage of despair that made them carry out suicide operations against the dictatorial regimes that dominated their countries.

There were at the conference those who told the Saudis: Do not exaggerate in your fear of the intimidation that the industrial countries use against us. The United States is not against price increase and the U.S. Administration, which has been unable to make the Congress approve Carter's plan to curtail energy consumption, believes that price increase will make the U.S. citizen realize that there is a real energy crisis. What happened in California and then in New York when truck drivers clashed with gas station owners has strengthened the feeling of discipline in oil consumption and has brought about the psychological shock about which the Kuwaiti oil minister has spoken.

On the other hand, there were those who said that the U.S. Administration is preparing the psychological atmosphere for military action against the

Gulf states. If oil prices rise above \$20 [per barrel], they will lead to the unemployment of 10 million Americans. President Carter, who considers President Roosevelt his supreme example, has reached the conviction that the United States needs an oil Pearl Harbor operation that gives him the justification as the [original Pearl Harbor operation] gave Roosevelt the justification to enter the war. Roosevelt knew in advance through the U.S. intelligence agencies that the Japanese were preparing for an air attack against Pearl Harbor and he let the suicidal operation take place in order to be able to prepare the U.S. public opinion to enter World War II. Carter has now reached the conviction that unless the economic situation reaches a state similar to the state of war, he will not be able to polarize the U.S. public opinion to support the military operation with which Harold Brown, the U.S. secretary of defense, has threatened more than once. Such a psychological atmosphere will strengthen the President's position in the first place, will permit passing the energy program opposed by the Congress in the second place and will give the United States the justification to liberate the industrial world from the irresponsible actions of most of the oil producing countries in the third, but not last, place.

The Saudis say: Even if the U.S. Administration has no plan for a military operation such as the one with which Harold Brown threatens, the consequences of drastic price increases will inevitably lead to the state of the desperadoes --or despair--that forces people to commit suicidal acts.

It is said that Dr Zaki al-Yamani needed two additional nights beyond the time scheduled for the conference before he was able to persuade some countries which took middle-of-the-road positions, such as Kuwait and Venezuela, to exert pressure on the Iranian delegation to accept the principle of putting a price ceiling of no more than \$23.5 per barrel.

What drew the strongest attention of the observers who followed up the course of developments at the conference was the position of Abu Dhabi which put distance between itself and the Saudi position for the first time. At the Doha conference (December 1977), Abu Dhabi was the only country that followed the moderate Saudi line and that did not raise its oil prices beyond the 5 percent to which the Kingdom of Saudi Arabia committed itself at a time when all the other countries insisted on the 10 percent increase. But Abu Dhabi's position started to change since the OPEC conference held at the end of last year when Abu Dhabi proceeded forcefully in the policy of raising prices and when it assumed the leadership role in raising the price by 80 cents. In the latest conference, the reason why Abu Dhabi moved away from the Saudi position and adhered to the Algerian position became clear. While Mani' Sa'id al-'Utaybah, the UAE minister of oil who was the chairman of this OPEC conference, was stating repeatedly that Abu Dhabi would not take part in increasing the prices, there was another member of the UAE delegation, namely Mahmud Hamrak Ruha whom the French call Hamrak Rua--insisting on a big increase in prices to prepare the way for Algeria to justify its price increase!

Who Is Dr Ruha or Rua?

It is said that he is the strongman of the oil industry in Abu Dhabi. He is the general director of the National Oil Company (ADNOC). This company's president is Shaykh Tahnun ibn Muhammad, Shaykh Zayid's son-in-law. Dr Ruha attended the OPEC conference for the first time even though he was not supposed to be a member of the Abu Dhabi delegation to the OPEC conference.

Concerning the story of Dr Ruha, they say that Shaykh Zayid asked the late Algerian President Houari Boumediene when the two met at the Arab summit held in Morocco in 1974 to help Abu Dhabi with an oil industry expert to assist with the National Oil Company which had just been set up at the time. President Boumediene did then ask Abdesselam Belaid to select an energetic element to go to Abu Dhabi. The choice fell on Dr Mahmud Hamrak Ruha. Within a period of no more than 3 years, Dr Ruha was able to form an outfit comprising nearly 30 elements that have held all the sensitive positions in the company of whose oil operations Abu Dhabi owned 60 percent. With the death in 1976 of Dr Nadim al-Bajaji, who was Shaykh Zayid's adviser on oil affairs, the Iraqi influence in the oil sector disappeared and was replaced by the Algerian influence. This Algerian influence grew stronger when the oil company was detached from the Ministry of Oil. The ministry thus became responsible for the oil policy while the ADNOC management took sole charge of the oil and gas operations.

Those knowledgeable in oil affairs agree that Dr Ruha and his group, delegated by the Algerian Company (Sonatrach), constitute the fundamental element in the Abu Dhabi oil policy, not only because of their high capability but also because they benefit from the internal balance between Dr al-'Utaybah, the minister of oil, and Shaykh Tahnun ibn Muhammad, the company's president.

The significance of this development in the centers of power is that Abu Dhabi has found itself putting distance between itself and the moderate price policy followed by Saudi Arabia and moving closer to the inflexible Algerian policy and its coordination is now with the Algerian Company (Sonatrach) instead of the previous coordination with PETROMIN, the Saudi Petroleum Establishment.

Another phenomenon emerging at the Geneva conference was the Iraqi position that has been closer to the Saudi position than that of all the other OPEC countries, even though this Iraqi position was closer in the past to the Iranian position. It is said that the rapprochement between the two positions started in the wake of the Baghdad Arab summit conference. What increases the significance of the Iraqi position is that the latest discoveries in al-Basrah oil fields have made Iraq second only to Saudi Arabia in oil reserves.

The third phenomenon was that the U.S. observers hastened to contact U.S. President Jimmy Carter to acquaint him with the conference resolutions before they were announced officially, i.e. at the time when the experts proceeded to put the resolutions in their final form.

Estimates regarding the volume of the increase in the OPEC countries' revenues have varied. Some have estimated this increase at 19 billion dollars which will be paid by the European countries, the United States and Japan whereas others have asserted that the total increase will amount to nearly 40 billion dollars. On this issue, I cannot claim to know which of the two figures is correct. We must wait for sometime before the white figure becomes distinguishable from the black figure.

There remains after all this the question that preoccupies the mind of Europe, the United States and Japan--a question said to have constituted the main concern of the leaders of the industrial countries who met in Tokyo--namely: What will happen if oil prices rise again after the 3 months on which Iran, Algeria and Libya insist or the 6 months which Saudi Arabia wants to give the industrial countries so that they may organize their affairs?

The main impression with which I have emerged from my second experience with oil and finance conferences is similar to the first impression. I emerged from the International Currency Conference in Washington with the impression that the world has lost its confidence in currency. From the latest OPEC conference, I have emerged with the impression that the world has lost confidence in the future.

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IMPERIALISM IDENTIFIED AS ANTIREVOLUTIONARY FORCES

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 p 16

[Article reprinted from MARDOM]

[Text] The U.S. imperialism and leaders in Peking supported, until last, the dictatorial regime of the ousted Shah against our people's revolutionary movement which aimed at setting up an Islamic Republic. Even today, when the people's revolution has succeeded in Iran, all the plots, instigations and anti-revolutionary sabotage acts against this country are being nourished by the same imperialistic circles, especially the United States. How is it that these enemies of Iran and plots against the progressive clergy have suddenly risen to support the "Muslims" in Afghanistan?

In fact, as admitted by some anti-revolutionary elements and terrorists rounded up recently, these elements, who are led by the fleeing feudal lords and reactionaries from Afghanistan, are being trained by Chinese and U.S. military advisers as well as CIA agents in special camps located in Pakistan. These terrorists, who are equipped with the Chinese and U.S.-manufactured arms, are organized by Pakistani officials and sent into the Afghan soil for sabotage activities.

Undoubtedly, Afghanistan's democratic revolution has taken place against the feudal lords and to the benefit of that country's toiling masses who are generally Muslims and believe in the Qoran. It were these Muslim masses who brought about victory to the Afghan revolution.

It has been observed all along the course of history that the U.S. imperialism has always brought bloodshed to the rightful and anticolonialist campaigns launched by people. While supporting reactionary and anti-revolutionary forces in all parts of the world, it has constantly hatched plots and carried out sabotage acts against those states and people who denounce imperialistic links. However, the U.S. imperialism has today become the supporter of "Islam" in Afghanistan, is attempting to impart sabotage training to the terrorist groups being sent into Afghanistan and thus extending support to the "Islamic movement" in its fight against the democratic regime in Kabul. This fact should act as an eye-opener to recognize the actual enemy who might be cloaked in any garb.

(Tudeh Party Organ, Mardom, August 6, 1979)

POLITICAL GROUPS LISTED

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 p 15

[Article reprinted from JAMHURI-YE ESLAMI]

[Text] Islam is the main factor that has made Afghanistan's Muslim population to confront the Communist regime of Nur Mohammad Taraki. The Muslim masses in Afghanistan are giving away their lives for their desire to preserve Islam. They attack the Government forces by uttering "Allah-o-Akbar" and fear no death for this holy cause.

It's essential to mention that the Afghan Muslims are disorganized, don't possess a united leadership and are cut off from the outside world, but still continue fighting with extraordinary courage and bravery in far-off provinces against many odds. The biggest danger threatening the Afghan Muslims, which might even force them to surrender or desert the holy war, is the existence of acute differences among various political parties, groups and organizations. The blood-thirsty and Soviet puppet Communist regime is continuing to massacre the Muslims, even innocent women and children, with utmost cruelty.

Various political groups, parties and organizations, presently confronting the Taraki regime, are:

1. Jamiat Islami Party of Afghanistan 2. Islamic Party of Afghanistan
3. Afghan National Salvation Front 4. Afghan Muslim Students Association in Europe 5. The Islamic Movement Party 6. The Victory Party
7. Islamic Ra'ad Party 8. Islamic Forces Group 9. The Refugees' Center 10. Afghan Muslims' Movement 11. Afghan Mojahedeen Organization Abroad 12. The Message of the Poor 13. The Refugee Group
14. The Islamic Unity 15. The Dawn 16. Afghan National Salvation Organization 17. Nokteh Dana Party 18. Ali Pourism 19. Afghan Islamic Movement.

The official communist parties are:

1. Social Democrat Party 2. Melli Party 3. Eternal Flame
4. Parcham Party.

Unfortunately, all the political parties and groups lack in unity and deep-rooted differences exist among them.

EYE-WITNESS ACCOUNT; ANTI-MARXIST LITERATURE DESTROYED

Tehran FYI IRAN POLITICAL DIGEST in English 6 Aug 79 p 16

[Text] In early November 1978, a directive was issued by the Afghan Ministry of Information and Culture that all religious books written to disprove the Marxist School of Thought, should be gathered from bookstalls. Especially, all the works of scholars and Islamic thinkers like Imam Khomeini, Dr Ali Shariati, Makarem, Mohammad Bagheh Sadr, Moudoodi, Mohammad Qotb and Mohammad Aser Mohseni should be confiscated and destroyed. The directive warned that anyone found to possess works of these authors would be considered a member of the Akhwanol Moslemeen Party and hence anti-revolutionary and subsequently sentenced to death or imprisonment.

Following ratification of this subject in the Revolutionary Communist Parliament, armed secur'tymen invaded libraries and bookstalls, and took away all the religious books in trucks to the Ministry of Information and Culture. This incident greatly angered the Muslims as they were concerned about the fate of such books and their owners. It was learnt that all these Islamic works were burnt out in brick kilns located near Kabul.

In December 1978 when our Muslim Iranian brethren were nearing victory, the tyrannical communist regime in Afghanistan was becoming increasingly sensitive to the development. Consequently, the regime issued another order to confiscate all the academic or religious books published in Iran, as well as to check the import of such books. The young men then had to resort to smuggling the recorded tapes of the speeches of clergymen through Muslim workers from Iran into Afghanistan and distributing them among the Muslim people. These tapes were also duplicated by them.

However, the Communist reactionaries, scenting the plan, took savage control measures. Suddenly, the Islamic revolution in Iran, led by the historic personality of Imam Khomeini, reached its peak, and the Afghan people including the Government staff, started talking about him and his revolution in a symbolical manner.

Tarraki, the mercenary, fearful of an Iran-type revolution in Afghanistan, in an unmanly order, called for the arrest and subsequent execution or imprisonment of all the clergymen or the individuals trusted by the general public. Following the downfall of Shahpour Bakhtiar, the Iranian Embassy in Kabul installed a picture of Imam Khomeini at its main gate, and this action attracted multitudes of Afghan Muslims to that place to have a glance of the Iranian leader. In order to check the rush of the on-coming Muslims from urban and rural areas to the Iranian Embassy, Afghan's fake Revolutionary Council decided to block all roads leading to the Embassy through the help of the Soviet securitymen. Under these orders, not a single person was allowed to approach the surrounding roads even on foot. (Khandaniha, July 28, 1979)

CSO: 4920

CONDITIONS OF COUNTRY'S ECONOMY DISCUSSED

Manama AL-ADWA' in Arabic 23 Jun 79 p 11

[Article by Muhammad 'Abd-al-Fattah Khadr: "Economic Study Part 2: the Ranges of Bahrain's Economic Power"]

[Text] The first part of this study, printed in issue number 793 of AL-ADWA' which appeared on 28 April 1979, contained general statements about the economic power [of Bahrain] as well as some suitable topics for research. Going into greater detail that would contribute further clarity to the study may provide the benefit that is hoped for.

The Importance of Statistics

It is very difficult to undertake a feasible, scientific investigation without having access to statistics and figures to indicate a certain condition or a certain trend. It is by means of such statistics and figures that one can prove or disprove a certain opinion.

This realization requires that we state that Bahrain stands in great need for statistical sources and numerical data about Bahrain itself and about other countries. These data and statistics must be sufficiently comprehensive so that Bahrain can build its future on clear information and firmer precepts that incur considerably fewer risks than those inherent in a trial and error approach.

The fact that good, adequate data are not available--and statistics is one of the most important kinds of data--and the fact that the costs of obtaining such data are high constitute a significant obstacle to the establishment or the mere contemplation of establishing projects. If projects are established, their continuation and their success are thwarted by the lack of data and by the high cost of obtaining data.

The day will come when many countries will be forced to operate on a statistical basis. Countries that will immediately begin to adopt this method

will become more civilized and more advanced, and they will reap the benefits of their efforts sooner than those countries that postpone adoption of the statistical method.

There are factors in Bahrain which encourage adoption of the statistical method. The following are among those factors.

1. The relative small size of the country and of the population.
2. Bahrain citizens are responsive to economic and social projects and trends, and they have an understanding of them.
3. New developments in the theory and application of statistics have simplified the methodology of gathering and utilizing data. Computers are used to sort, arrange and memorize [data] and deduce results in a faster and a more accurate fashion.
4. Bahrain has the financial capability to meet the costs of a good statistical agency. It also has a suitable climate for obtaining the most modern scientific methods and putting them into practice.

There is a strong tie between statistics and organization; each one [of these endeavors] supports the other. When a specific organizational effort is being undertaken in a project or in the society, the statistical aspect of that organizational effort must be taken into consideration. In France, for example, accounting is regulated on a nation-wide basis. This means that it is uniform throughout the country, and standard data [forms] are utilized by all private and public organizations and agencies. All accounting reports cover the same period of time throughout the country by law. Standardized statistical data may thus be presented to official statistical agencies where they may be used for planning, organization and development.

It is known that financial accounting is one of the most important sources of statistics. Has the time come for making certified accounting mandatory for all registered financial institutions in Bahrain just as it is in other countries?

It is our opinion that there are legal, economic and social imperatives for this, and that it would be better to take steps on this course promptly than to postpone such steps.

Statistics is beneficial inside the country and abroad. Inside the country it is the basis for sound development. Outside the country it is a factor that attracts foreign interest and foreign investments and projects. Development efforts of a special nature go hand in hand with such investments and projects. There are those who want to know one just as much as one wants to know oneself.

If statistics is one of the sources of continuous data that are necessary for planning and development, it is the economic analysts, the social workers, the businessmen and the engineers who draw up the plans and who open the doors of development through their organizations. Therefore, statistics and its applications must take up a large part in school curricula, and preparations for teaching it must begin at the preparatory stage so that students may acquire a statistical way of viewing things and would come to consider statistics one of the regular tools of measurement.

In spite of the fact that computer costs are high, we must move in that direction and shift to the most modern statistical methods because the future belongs to these devices.

Dependence on statistics has its disadvantages. There are three:

First, the availability of statistical data; second, the precision of such data; and third, the accuracy of the conclusions deduced therefrom. This investigation, therefore, will be an inquiry [into the importance of statistics] and will not deal with mathematics or statistics. It is an attempt to shed some light on some grey areas, to dig into some of the procedures and to exercise independent judgment in determining the course.

The Quest for Development

One may conclude from the first part of this study that the focus of the development effort is the human being who is the be-all and the end-all of this development which is undertaken to serve him. In its general sense development is synonymous with man's ownership and control of the material and moral means of power. [Our] priorities require that we be referring here to the citizen of Bahrain. Some people believe that development is synonymous with industrialization only because industrialization is one of the aspects of economic power. This belief has prevailed in the media because developing countries are not fully industrialized and because the strong countries that have power over others have a large industrial base. But these people are not thinking about how these countries attained this state [of development]. It would be a mistake to focus on developing industry without coordinating industrial development with the development of other aspects of power. The importance of industrialization in achieving economic progress is often exaggerated, and especially during the first years of development.

Throughout the world development has become a legitimate popular and official pursuit. It is essential for life. International and national organizations for development have been established, and backwardness has become a social and a political disease.

Our investigation is confined to the economic aspect of development; it does not include the other aspects of power. To make things easy, let us say that economic development always signifies the addition of a new and a successful project.

Sound new projects usually bring economists, businessmen, financiers, engineers, technicians, accountants and workers together; or they require that they be brought together. A government employee specializing in development affairs may join them. If such people can be found, where and when can they be brought together?

They may be brought together in a permanent organization or corporation, or they may be brought together by an idea for a project that appears to be sound. How does this happen in Bahrain?

What usually happens in Bahrain is this: a businessman or a financier engages the services of other experienced people to carry out a project that had been studied and successfully implemented elsewhere. The government is interested in investigating and implementing those projects that the private sector is incapable of carrying out or is not motivated to carry out. These projects are beneficial to the national economy, and the government may become involved in them as a senior partner.

Foreign companies and experienced firms may seek to establish in Bahrain or in other Gulf countries and backward countries, or in developing countries, projects that had been studied so as to achieve economic benefits from this endeavor.

The availability, the proximity or the low cost of energy sources, for example, were considered among the significant factors in selecting the site for the manufacture of aluminum. In this project the cost of total operating costs.

The fact that labor is cheap, that transportation costs of finished goods to nearby markets are low or that [the plant] is close to the sources of the raw material are decisive factors in these kinds of projects. There are other reasons such as political stability and the disposal of industrial wastes or environmental pollution. Such wastes may be exported.

We cannot say that ideas for new projects in Bahrain have diminished. Nevertheless, [we do wonder about those factors] that sometimes prevent these ideas from surfacing. There are many reasons: some of them can be controlled, and others cannot.

The volume of the return on investments, for example, calls for the selection of certain projects and the neglect of others. The recent popularity of commercial construction is due to a large economic return in a period during which such construction is temporarily in demand. One of the reasons also is the weakness of economic research and analysis to guide and direct investment decisions. Economic analysis requires the presence and the cooperation of various theoretical, technical and administrative experiences that would be found in domestic organizations such as chambers of commerce and industry, professional associations, scientific societies or government

agencies such as one of the divisions of the Ministry of Development and Industry, the Ministry of Supply and Trade [sic] or the Ministry of Finance and National Economy. These experts may also be found in an independent corporation that would be attached to the Council of Ministers. Major private corporations and financial institutions can establish their own economic analysis and investment organization. The university that is to be established will become a possible and a sound field of activity for project research.

Economic analysis takes us back to statistics and to data centers and to the imperative of having a foundation established for them in advance.

Among the reasons for the sluggishness of new projects are the pitfalls of financing. The avenues and the channels between incomes, savings and investments are not always free from obstructions. This is due to the position of the banks and also of other financial institutions vis-a-vis internal investments. It is also due to the absence of an organized money market that would bring together and serve owners of savings accounts and investors. Unimpeded financing does take place among a group of merchants and businessmen who contact each other directly to invest in a project that more than likely is commercial in nature with a high and a quick return. Some of these merchants are sophisticated, knowledgeable, experienced and distinguished by an energetic commercial mentality. It must be said, however, that investments occur in a haphazard fashion without a well-guided broad and sound plan for investing the capabilities and the available resources of the country. Public and private investments must take place in the context of a general plan for economic development where real goals for total public and private investments can usually be achieved within a 5 to 10-year period. Public investments appear in government budgets. Approximate estimates are made of private investments from statistics of resources and capabilities that are available. Private investments are authorized or encouraged in selected, previously considered projects. Naturally, this presupposes the existence of a specialized government agency.

What are the differences between Bahrain and a country like Kuwait which shares with Bahrain features of economic activity and industrialization? The difference, I believe, lies in the volume and the effectiveness of the financing. The abundance of savings and incomes leads investors to be more daring in their investments; but it does not create investment opportunities except within financing organizations.

Among the reasons for the shortcomings of investments also are the general weakness of the economic structure which is loosely held together; the pervasiveness and diversity of power sources; and the weak over-all management of resources and capabilities. This is due to a complex and an intricate group of factors, some of which are historical and some are organizational. Among the historical factors are those of relying and concentrating on one product, which is oil. It is difficult for economic stability to rely on one product that would be subject to the dangers of price fluctuations and

political give and take. Economic stability should rather depend on a diversified group of products in the pursuit of some measure of self-sufficiency to enrich economic life and to solve the problem of unemployment and labor. But why isn't agricultural development as appealing as commercial and industrial offers are in spite of the fact that international economic organizations are calling first for agricultural development? A report of the International Monetary Fund states the following:

"The claim must not be made that an excessive concentration on industrial development is considered advantageous to the developing countries. Industrial development requires huge investments for every worker. The direct cost for industrial development in terms of resources is considerably higher with regard to the number of beneficiaries. The vast majority of the people in these [underdeveloped] areas earn their living in agriculture. The best way to improve their condition would be to increase their productivity in agriculture. But this should not prevent an increase in industrialization in these countries. The [development] policy should rather be directed towards a balanced development to increase production both in agriculture and in industry."

The danger of depending on one product is due not only to the creation of an imbalance between kinds of products, but also to the fact that [oil] is the only product that will be depleted in a few years. "Oil is called here the only product because it is the backbone of the national income."

Among the historical reasons for the weakness of the economic structure is the shortage in the number of qualified people. Qualified natives have their hands full with responsibilities; they do not have enough time to plan and carry out new projects. Otherwise, what would prevent a corporation such as the National Oil Company from marketing light jet fuel locally and in the Gulf when the market can yield a possible return of over 50 million dollars annually? This is in addition to other oil and petrochemical products. One of the definitions of countries pursuing development is this: they are the countries that have a severe shortage in capital and skills for economic development.

Among the organizational reasons for the weakness of the economic structure is the lack of agencies whose existence and the existence of coordination between them would constitute the basis and the foundation for achieving a comprehensive plan for growth. Such agencies can be found in most developed and advanced countries regardless of their economic system or ideology.

To bring about the economic growth in the context of a general plan, countries resort to one of the three following policies:

1. A policy of replacing imports;
2. A policy of exporting; and

3. A blend of the two former policies: replacing imports and exporting.

In Bahrain agricultural [products] cannot be considered for export in the foreseeable future. Similarly, a policy of replacing imports would not meet the aspirations of this country. In addition, it is a risky policy. Therefore, the third policy was found to be more suitable. It is in its context that one may look for new project ideas that may be successfully implemented.

There are numerous and various ideas for new projects, but only a limited number of them are suitable for an integrated plan of growth. The scope of these ideas may be established in the following areas:

1. A study of imports: Imports indicate the existence of a market inside the country. Among the imports are goods that may be manufactured locally with efficiency. Protection for these goods from foreign competition may be established. Many local industries were established on this basis, and the door for establishing such industries is still open and holds much promise.
2. A concentrated survey of local primary materials is to be made and scientific programs and studies about these materials are to be established. Such activities would lead to a number of mining or conversion industries [that would be established] on a competitive basis. Oil is one of these important primary materials.
3. Sound utilization of manpower: The existence of certain experiences or certain skills would lead to the utilization of these experiences and skills in industries or projects that promise to be successful. The craft of building small ships is one of the results of the existence of these skills. The availability of financial, commercial expertise is an incentive for focusing on the fact that Bahrain has been attracting financial activity following the difficulties that Beirut has been facing in this area in the wake of recent events. If Jordan is realizing a respectable return from its export of manpower to the labor markets, Bahrain can also export skills if it improves the products it exports to neighboring countries. There is also the advantage of proximity and cooperation for the purpose of contributing to development programs in the Gulf and Saudi Arabia. The importance [or such activity] and the possibilities for it in this area are unlimited. Serious training programs inside the country and abroad are the means to this end.
4. Existing industries are to be developed and modernized. Expansion of the industry, [change] in the kind of industry, an improvement in quality or the establishment of auxiliary projects often ensue.
5. Industries are to be tied together and integrated. Growth in one of the industries can create opportunities for other industries such as support industries, secondary industries or recreational industries.
6. The establishment of projects in other countries is to be followed up, and the degree of their success is to be measured. Bahrain may have

circumstances similar or superior to those under which such industries were established.

7. Industrial and statistical bulletins that are issued by official agencies and international organizations like the United Nations are to be studied. These contain periodic reviews of industries and their relations with each other as well as the possibilities for their development. From these bulletins and catalogs one may choose industries that would be suitable for implementation in Bahrain.

If all of this is done, one may emerge with long lists of industries and projects that may be implemented. From these lists one may extract revised lists of some projects whose economic and technical feasibility has been proven in studies conducted by professional economists, engineers and managers with regard to the circumstances of Bahrain and its current and future capabilities.

Growth inside the country cannot be separated from relations with foreign countries. To accomplish this there are tactics throughout the Gulf area and a strategy throughout the Arab homeland. This matter may be investigated in a separate article. It is a discussion that makes us anxious and is to be continued.

8592

CSO: 4802

MILITARY TURNING AGAINST GOVERNMENT

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 pp 2,3

[Text] Last week, a small news was printed in one of the morning newspapers in which a group of young army officers had reported establishment of a national Iranian army in which they had explained that this secret army was established to preserve and protect Iranian national heritages and would divert the revolution into its right path. The officers had named a P.O. Box asking others--mainly army officers--to send them their views and cooperate with them. They have also said that they were contemplating establishment of a free radio and television station in Tehran.

Exclusive sources believe that more than 90 percent of the armed forces personnel have turned against the Islamic government in Iran, while they do not support the deposed shah. According to the sources, these army officers are getting organized as the pressure put on them by the government gets more unbearable and thus they only lack a strong leader to begin their activities. Some of these army officers, among whom there are many pilots and Air Force personnel, often express their views on public and all claim to have sufficient arms. According to exclusive sources, these officers are now planning to contact former Prime Minister Dr Shapour Bakhtiar and offer their cooperation. Informed sources claim that these army officers are all nationalist Iranians who have been trained abroad and claim that the country has spent millions of dollars on their training which have all left idle. They also are against the resale of F-14 aircrafts back to the United States and have said that they would put their children under the wheels of the aircrafts in order to prevent their flight to the United States.

Exclusive sources who have spoken to a number of these officers report that they are also anti-communist and therefore favour Bakhtiar's leadership who is also an anti-communist person. They have been quoted as saying that Bakhtiar is a very democratic person and would establish a democratic atmosphere for all political groups to freely express their views and since most Iranians are Muslim at heart, there would be no threat of communism in Iran.

These army officers have also said that through their own information network, which they believe is very strong, they have now realized that continuation of present political trend in the country would soon pave the grounds for socialism which in turn would lead to communism. They have also claimed that government's weakness in controlling insecurity in the country coupled with a very hopeless economic situation would soon result in a crisis which only the leftists and communist will be able to benefit from.

Therefore, following Bakhtiar's comments that he would delegate some friends to contact Iranian willing to cooperate with him as well as, petty bourgeois in Iran, these army officers are now trying to contact Bakhtiar and negotiate their terms and conditions. [as published]

CSO: 4920

FOREIGN MINISTER YAZDI ON U.S. TIES

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 pp 11-13

[Interview with Ebrahim Yazdi, foreign minister, reprinted from KEYHAN of 4 Aug 79]

[Text] In an exclusive interview with the daily KAYHAN, Iran's Foreign Minister Ebrahim Yazdi expressed the Provisional Government's views on various liberation movements, and cancellation of the Irano-U.S. agreements. The following is the text of the interview:

[Question] Critics say that the current diplomacy of Iran's Islamic Republican Government has a weak anti-imperialist posture and cold shoulders some of the liberation movements. Is it true?

[Answer] No, our diplomacy is rather strong and our stands are well-defined. The critics must pinpoint the defects in our diplomacy and also give their views on how to boost our stands if they are weak at all.

[Question] For example, the Irano-U.S. ties are questioned very often. As you have declared so often, several colonialist pacts and agreement were concluded between Iran and the United States without their contents being released to the general public. As such the people don't know anything as to which one of them should be cancelled and which one remain intact. Anyhow, the 1958 bilateral colonialistic Pact hasn't been cancelled yet.

[Answer] Concerning the 1958 Pact, as I have said so often, the Foreign Ministry has recommended its cancellation to the Ministerial Cabinet. This is now up to the Cabinet and the Revolutionary Council to decide the issue. The Foreign Ministry, on its own, can't cancel these bilateral pacts.

[Question] A newspaper recently released documents saying that Iran "has retained some of the bilateral military agreements with the United States." Evidently, these secret documents indicate that the Government has retained the agreement on the purchase of spare parts of F-4 and F-5 warplanes.

[Answer] Two or three of these documents, as referred to in the daily KAR are real and not fake. But their mode of release in the newspaper without giving any details on the subject creates suspicion and instigates public mind [as printed]. The documents in the newspaper story concern an agreement for purchasing spare parts for the existing armaments and not for the purchase of new arms. For example, the F-4 Phantoms and F-5 planes owned by the Iranian Army are short in personnel, but there isn't any need for U.S. or other foreign advisors to operate them. However, there is need for spare parts from abroad to maintain over 200 such planes. The related agreement on purchase of spare parts for these planes was retained by the Government after a careful study. This doesn't mean that all the earlier agreements too will be retained. In terms of military industries, we need certain spare parts and have to acquire them. Those who criticize such an agreement should also announce their policy whether to retain these costly warplanes or let them rot. The Iranian Government thinks itself dutybound to maintain these planes and armaments until the elections of the new parliament and the President, who will then decide this case.

[Question] Lately there were stories in some newspapers that the United States intends to purchase back the eighty F-14 fighter planes which it had earlier sold to the ousted Shah. We know that these are very modern planes and some experts claim that by their sale to Iran, the U.S. technology has been endangered. Considering the fact that sale of these planes to the U.S. would make Iranian airspace vulnerable to attacks, if we want to replace them by purchasing other fighter planes, it would take at least three to four years to train their personnel. Do you think the sale of F-14 planes is justified and what replacement is to be made in case these planes are returned to the United States?

[Answer] During a review of the earlier reports on purchase of these planes, it was disclosed that Iran has so far paid 5 billion dollars in this regard. Their maintenance would cost 500 million dollars annually which means that during the next 10 years, another 5 billion dollars will be spent on these planes. Further, apart from Iran, only the U.S. Navy is equipped with these planes whose flight system is most complicated. Even the rockets carried by these planes have yet to be tested. Operation of these planes is problematic for even the United States. In case Iran wants to operate them, it would need at least 400 U.S. advisors to train the pilots which would result in this country's close association with the United States. Moreover, these planes, being totally electronic, need electronic experts. A scientific survey shows that our technical cadre won't be able, for several years to come, to operate these planes independently. In view of the extraordinarily high cost (every single hour of flight would cost 1.5 million dollars for Iran) of operation and maintenance of these planes apart from the close links which will have to be set up with the U.S. if these planes are retained, the Iranian Government has decided to sell these planes to the U.S. or any other buyer.

[Question] Armament procurement is vitally important these days, especially in the war-torn Middle East region. Considering the state of our worsening military ties with the U.S. and a probable shift in our policies with the Western block, what plans has the Islamic Republic chalked out for fulfilling its military needs?

[Answer] This question should be answered by the National Defence Minister. But I must say that no country can claim to be independent when there is so much association with the U.S. or any other state. As to the F-14 plane, we concluded after analyzing all aspects that we should certainly come to exist on this account with the United States. As to which planes should replace them is something to be discussed separately. These planes, being complicated, are still being tested by the U.S. Navy. The ousted Shah had intended to help the manufacturers of these planes by placing their purchase orders.

[Question] Despite the establishment of the Palestinian Embassy in Tehran, it is rumoured that Iran has not yet officially recognized Palestine.

[Answer] These are pure fabrications which hold no ground. You can easily get confirmation on the issue from the PLO office in Iran. The events in Iran themselves deny such rumours. When the PLO Chief Yasser Arafat came to Iran, he was accorded a rousing reception by the Iranian Government and the nation, and I, in my capacity as the Assistant to the Prime Minister in Revolutionary Affairs, acted as the official host for Arafat. Then, we placed a building at their disposal and accorded written and official recognition to PLO apart from granting diplomatic rights to them. As such, it's a baseless lie.

[Question] In a recent announcement, the Iranian Government said it might officially recognize Libya. What is happening in that connection?

[Answer] There has been no further development beyond that announcement.

[Question] There has also been criticism on Iran's oil sale to the Philippines. Apparently, there have been complaints from the Moro Movement on the matter.

[Answer] I don't know the details of our crude sales agreement with the Philippines. You can check it with the MIOC. You can also make enquires from NIOC whether the Iranian crude is sold directly to the Philippines or through the oil companies. What I certainly know is that while selling oil to various countries, we did announce that we will use oil as a political weapon.

[Question] Some Egyptian dailies have alleged Iran to have participated in the recent futile coup in Iraq. Is it true?

[Answer] No, we have denied it earlier.

[Question] We know about Iran's geopolitical and Persian Gulf's strategic importance. Lately, there have been reports of probable U.S. military intervention in the region on the pretext of protecting oil lifeline. Whether Iran is following a common strategy along with other regional states that oppose military presence by the U.S. or other superpowers in the area?

[Answer] We have not yet held any talks with our neighbouring states on a common strategy. But necessarily, in case of any aggression by foreign forces similar to the recent U.S. announcement, millions of people in the region, including Iran, will confront them. Of course, the planned U.S. policy is doomed to failure.

CSO: 4920

RDC IDENTIFIED WITH CENTO

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 p 14

[Reprinted from MARDOM, August 6, 1979]

[Text] In order to attract new states to the CENTO military pact, the U.S. imperialism, in active cooperation with the ousted Shah, set up another trap. This time it was the establishment of the RCD (Regional Cooperation for Development) Pact. Hopes were pinned that this time new Pact would be able to link other regional countries, in one way or the other, to the CENTO Pact. The ultimate aim was to enforce the neo-colonialist and military policies as well as arm race upon them. But, as already observed, no other states of the region could be deceived by the latest trick.

It has now become evident that RCD has been imposed upon other countries of this region in its capacity as a branch of the CENTO Pact with a view to expand the range of its activities and to attract other regional states to the military pact.

Now this question arises: Why Iran's provisional republican Government, which recently announced its decision to withdraw from the CENTO Pact, is keeping silent in case of RCD--the heritage of the Pahlavi era and the neo-colonialist policy of U.S. imperialism--along with many other military pacts imposed upon us by the United States? Why this imperialistic pact is not dissolved forthwith?

With these pacts and links with the U.S. imperialism remaining intact, our full political and economic independence cannot be guaranteed. The government officials shall have to discern this fact after all.

CSO: 4920

KURDISH SITUATION ANALYZED, LEADER INTERVIEWED

Qassemlu Comments

Tehran FYI IRAN POLITICAL DIGEST in English 6 Aug 79 pp 12-15

[Interview with 'Abdorrahman Qassemlu, secretary general of Kurdish Democratic Party (KDP), reprinted from TEHRAN MOSAVVAR, Jul 79]

[Text] I had gone to the Kurdistan Democratic Party Building to see the Kurdish leaders, Qassemlou and Bolourian. Inside the building, I observed a framed picture of the former Kurdish leader Qazi Mohammad on the wall and met Qassemlou who had just returned from a tiring visit to Tehran. An hour later, Qassemlou was ready for an exclusive interview.

Coming for interview to their headquarters, Qassemlou and Bolourian were escorted by two "Peeshmargs" (those who die before another). These Peeshmargs, with whom I had talked earlier, are the men ready to sacrifice everything, even their lives for their people. I had earlier met an old man who told me he had four sons. Two of them were farmers, while another two and he himself were "Peeshmargs," and longed to die for the Kurds. When asked, he told me that he received very little emoluments for the job--2,000 to 2,500 rials for 3 months.

During the interview, the first subject to come up was the draft constitution. Qassemlou expressed his dissatisfaction, saying that the planned constitution in general doesn't meet Kurdish expectations, although it has some positive aspects too which were denied during the Pahlavi regime. However, the constitution seems to be mostly a collection of slogans and contradictions, he observed.

Qassemlou noted that in this constitution, most of the principles which guarantee democratic freedom as well as freedom of the political parties and groups are accompanied by "ifs." Sometimes they emphasize that such freedom shouldn't be contrary to the Islamic principles, and another time to the human prestige and respect. Qassemlou pointed out that "ifs" can always be exploited by every one as has so often been observed. He said that such "ifs" should not have been put in case of religion in the constitution at all. "We know it too well that it was difficult for the

leaders of the Islamic revolution to accommodate this principle in a different way." He criticized that the women's rights too, have not been observed. Women must get equal rights with men in society and in family. The women should get wages equal to men for an equal amount of work.

Referring to the rights of the people, he admitted that as compared to the previous constitution, it is a better one, and noted that it includes five references to the existence of the Kurdish people. However, it is not known what do the authors of the constitution mean by such references. He also said that in another article, the freedom of local language and the Press has been mentioned but Article 74 on the Councils has no significant difference from the previous provincial and states councils Act.

On the question of internal autonomy, Qassemloo complained "that this issue is usually reflected in a manner indicating that we want autonomy for a village or a city. On the other hand, we want autonomy for the Kurdish people. This autonomy, he explained, is, above all, to make the Kurdish people feel that they are no more a second-rate nation. In the autonomy formula prepared by the Party, Kurds believe that the foreign, financial and long-term economic policies as well as defence should be looked after by the Central Government, but all matters relating to Kurdistan, and especially the security affairs should be governed by their elected regional Councils. He said there should be a centralized body to look after cultural, health and economic matters, and declared that he was in favour of autonomy being given to all non-Persian speaking nationalities which bore the brunt of tyrannies in the past. Mentioning that there exist in the world a number of independent minorities having only half a million population, Qassemloo declared that his autonomy campaign within Iran's national framework had been continuing for the past 34 years. "If we don't get it in our lifetime, the coming generations will continue their fight to achieve the goal," he said. During the Pahlavi regime, the Kurdish Democratic Party had chosen the armed struggle as all other democratic avenues were closed for the Party. Now when the Party is functioning openly, he said, it has adopted democratic methods--i.e. Press, protests, march, elections, etc--to achieve autonomy, and is not willing, at any cost, to step back, or to start armed confrontation with the Government or any other groups.

Turning to the recent disorders in the city of Naghadeh, Qassemloo pointed out that the Party managed to put an end to the war which was forced upon Kurds there. The people too followed "our instructions." He hoped that such unpleasant events should not recur in future. He, however, warned in his capacity as the Secretary of the Kurdish Democratic Party and as a liberal that in case reactionary, imperialist and anti-revolutionary forces gain an upper hand in Iran, and force a war upon Kurds, they would defend themselves in such an emergency. He said this was the declared policy of his Party, and he wanted to bring this policy to the notice of the Iranian people. Though there existed much less limitations for democracy now, he pointed out, but these limitations were enforced in lesser degree in Kurdistan. He was confident there still exist prospects for democracy in Iran.

As to the future of the Kurdish people, Qassemlou noted that he had never considered the Kurdish people's movement to be separate from other people in Iran. He said the Kurdish slogan is "democracy for Iran and autonomy for the Iranian Kordestan." Most of the Kurdish problems will be solved if this philosophy is understood by various forces now active in Iran. "The Kurdish insistence on democracy in Iran prior to autonomy in Kurdestan is not something incidental but factual as we are against having a democratic autonomy in Kurdestan while people in all other parts of Iran withstand a tyrannical regime. In order to achieve this goal, Kurds believe that all national, anti-imperialist and revolutionary forces in Iran--whether religious or nonreligious--should forge unity."

Talking about the antirevolutionary and monopolistic measures, Qassemlou said that the aim of such steps or, better to say "plots," is to check the Iranian revolution. Such a phenomenon is not new but emerges after every revolution in which all the forces are divided into revolutionary and reactionary forces. Presently the latter forces, aided by the imperialistic and pro-Shah elements, remaining in various committees and the army, are trying to deviate the revolution from its course. One can't wait to see the results of such efforts taking the shape of a dictatorship, but the campaign is to be initiated right now to nip such monopolistic and reactionary trends in the bud.

When asked if he had prevented the return of refugees to Naghadeh, Qassemlou, while denying the allegation, said that "some Government and reactionary elements started such a propaganda against us for political purposes." He categorically said that his party was, from the very beginning, in favour of the return of all refugees, since it believed the refugees, by their return to Naghadeh, could well frustrate all plots against them. The Party has already established contacts in this connection with the Government officials and even Imam Khomeini. "In our visit to Imam Khomeini, we requested him to send a probe team to the place. Unfortunately, Ayatollah Rabbani, who headed the team to Naghadeh, misreported the facts in violation of all ethical principles. Not only that he has even accused us and gave an inverted picture of what he observed there. We have not taken up the matter with the Government officials."

Qassemlou further said that the Government has lately agreed to set up a joint Turk-Kurd Council with five members from each side for Naghadeh. This was the Kurdish proposal from the very beginning, in which they had also suggested joint councils for the cities of Orumiyeh, Salmas, Maku, Miando-ab, Ghovveh and Shahin-Dej. However, the return of refugees to Naghadeh has been agreed upon along with a proposal that initially, security measures in that city be handled by the Guardsmen dispatched from Tehran. The Government had also promised financial help to the refugees but it is very sorry to say that no help has come forth so far.

Following the revolution, Qassemlou disclosed, Mahabad Radio and Television Station sought the Kurdish Party's help in security maintenance

which it willingly did and is still doing. As a result of talks with Imam Khomeini and later with an NIRT team in Mahabad, the Kurdish language programs were resumed and all cities of Kurdistan were given freedom, to certain extent, to produce their local programs. But, he pointed out that the NIRT has re-started its attacks against Kurds and the Kurdish Party under instigations. This policy, he noted, was in line with the Foreign Ministry decision which barred its multiple-party conference upon Kurdish representatives.

In connection with the distribution of arms by Government elements among feudal lords, Qassemloo stated that these landlords were never from among the people, but were rather their enemies. Attempts are under way by subversive elements to impress upon Kurdistan's population that the orders for arms distribution have come from Imam himself, and thus to invertly depict the Imam who is the supporter of the poor class. Such an attempt, he added, is anti-revolutionary in nature and part of a plot. He said that he knew for sure these arms have been given to the most reactionary feudal lords in Kurdistan. Such a calculated action is primarily aimed at dishonouring the bright past of political parties. Qassemloo further said since these reactionary elements are unable to confront such political organisations openly, they are resorting to these unhealthy tactics. It appears that such elements are working beyond the control of the Government machinery. A glaring example of such acts is the recent exit of Mohammad Montazeri from the country at gunpoint. His act, which turned the revolutionary government into a laughing stock, showed that these reactionary elements can do anything not only at Mehrabad Airport but in any part of Iran. If they are hatching such plans, Qassemloo concluded, there is every likelihood of an open armed clash which might result in a catastrophe.

Analysis of Situation

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 pp 2-10

[Text] A bloody clash took place on 14th July between some inhabitants of Marivan and a number of Revolutionary guards which left 19 dead and a larger number wounded. Had the incident been an isolated one it would have probably been forgotten by now. But in the wake of the incident the inhabitants of Marivan left their town en masse, military forces were dispatched to the area, the inhabitants of Sananda] undertook a long march towards Marivan, and inhabitants of villages blocked the path of government military columns. The clash was thus symptomatic of the whole complex Kurdish issue which warrants careful and extensive study. Although after a month of negotiation, an agreement was signed between government representatives sent from Tehran and the Kurdish groups, its efficacy is still in doubt.

The present survey considers the Marivan incident in the following parts:

Rural Movements in Marivan in the Past Decade
Parties Involved in the Kurdish Issue
Prospects for the Agreement and the Future of Kurdistan

Rural Movements in Marivan in the Past Decade

Marivan is a Kurdish-inhabited area of Iran that protrudes into Iraq. Thus it is surrounded by Iraqi territory on three sides. It is a rural area whose hardworking and poverty-stricken peasants have been struggling against central authority since 1945, and have always been under close control and supervision by the former shah's government.

In 1945, peasants of Marivan were involved in the uprising by the Kurdistan Democratic Party. Even in the early 1960's and the introduction of the shah's land reform in Kurdistan, the peasants of Marivan had more than their share of suppression. To keep the peasants under control, the shah's regime had given the local big landlords considerable powers in the political structure. These big landowners could in turn use government forces to suppress any peasant movement and to perpetuate their own privileged position.

The local SAVAK, army, gendarmerie, conscription department, district officers, land reform officers, forestry, land registration office and the local courts were all used to protect the feudal landlords and to support them against the peasants. In some instances, feudal landlords were able to forcibly eject all peasants and other inhabitants of villages and to raze the entire habitation to the ground so that they could register the land in their own name as "mechanised farmland," which was exempt from land reform. They also kept other choice tracts of land by exploiting the loopholes in the law. In other instances they imposed heavy rents on the peasants who ended up no better than when they [were] working as serfs.

Good lands around cities and towns were described as "urban areas" and forcibly taken away from the peasants. On the whole, land reform in Kurdistan were the least successful as far as peasants and farmers were concerned.

Marivan itself symbolised the worst of all these excesses. There are five major Kurdish tribes in Marivan and neighbouring Ouraman. The Heydari tribe (headed by Kani Sanani) has been by far the most powerful and had virtually monopolised all power in the past 40 years. For instance, some 50 government militiamen placed at the disposal of the chieftain during the land reform to defend his feudal interests against the peasants. The tribe laid hands on more than half of the farmlands around Marivan. As the town expanded, and urban land prices rose, the tribe became much richer and economically more powerful. Through its close ties with all government offices, the tribe, i.e. the feudal chieftains, was able to dispossess the entire 80 rural families that had been tilling these lands. Also, under the pretext that these lands were urban and not subject to land reform the chieftains were able to retain title to them even though the lands were actually being tilled by farmers.

Over the years, farmers were able to return and continue to cultivate the land but as far as the land registration was concerned, none of the farmers have any title to them. In fact, the feudal landlords sold the lands as urban development areas and made vast profits some of which was passed on to the local government officials.

Clashes between the feudal landlords and the peasants became more intense particularly after the approval of the urban development master plan in 1968 because the plan completely favoured the landlords against the peasants. Feudal landlords in collusion with government officials began to grab more and more farmlands around the town and to sell the lands at high prices to the government ostensibly for urban development. In the process of dispossessing farmers often large numbers of them were persecuted and even arrested and jailed. After more than a year and a half of futile legal battles many of the farmers took to the hills. In the spring of 1974, some of these farmers returned from the mountains and repossessed their lands. Some began to plough the fields but the inhabitants of Marivan witnessed how the entire government machinery from Savak to the gendarmerie; from land reform officials to land registration officers sided with the feudal landlords and their armed hirelings to swoop down on the farmers and engaged in their mass arrest. But no sooner was the farmer arrested and taken than his wife or other peasants hiding nearby took up the plough to continue tilling. Since officials could not remain in all the fields all the time, the peasants began to till the land and thus remained in possession of their own lands.

This state of affairs continued until the autumn of 1977 when feudal landlords obtained injunctions from the local courts declaring all these peasants as usurpers of land. The court verdict was served on the peasants on the eve of a religious festival and tractors, bulldozers, gendarmes and policemen were sent in on the day of the festival to reoccupy the lands. The farmers went to Marivan, temporarily occupied the governor's office and issued a statement protesting the court verdicts and announcing their decision to leave the country.

The inhabitants of Marivan on that occasion also staged a public demonstration and joined a procession of farmers and their wives and children. When the procession left town, most of the feudal landlords escaped the area fearing an open rebellion. Even the governor, chief of Savak and military commanders of the area panicked and opened negotiations with the farmers and inhabitants and persuaded them to return by promising a review of their case under land reform. The government intervention at this stage persuaded the courts to review their verdict but the landlords still did not give up. Through further bribery and by using the influence of one of the big feudal landlords (Salar Jaf, a civil adjutant to the shah who has since been executed) the court verdict was delayed. They hoped that the government would "nationalise" all these lands and thus satisfy the peasants by paying them a small price.

The farmers again resisted this plan and staged another 11-day march towards the border in September 1978. Once again, the authorities had to give in and this time unconditionally returned all the lands to the farmers.

The prolonged struggle came to an end on 12 February 1979 with the success of the popular revolution and the overthrow of the monarchy. In Marivan, revolutionary councils and committees had been formed much earlier and had taken over the administration of the town as early as September 1978. With the success of the revolution, the town's administration was formally called the Provisional Revolutionary Council. On that day, it took over the police, disarming the policemen and setting up a revolutionary security headquarters to maintain law and order.

The inhabitants agreed that within a fortnight they should hold free elections to elect a permanent revolutionary council.

Facing the new situation, remnants of the feudal landlords joined the forces with other reactionaries, remaining Savak members and other counterrevolutionaries to oppose the provisional revolutionary council and its headquarters composed of farmers, workers, bazaar merchants, teachers and students. Several attacks were mounted on the governor's building.

Despite all this, the various guilds and classes of the town sent 80 delegates who held a meeting in the presence of the local judge and elected 15 members as the Islamic Revolutionary Council of Marivan.

But that was not the end of trouble in the town. Clashes continued between rival factions and still go on to this day. The serious clash of 14 July led to a decision by the entire inhabitants of the town to take to the countryside. The inhabitants of Sanandaj started their long march in sympathy. The central government originally sent a delegation led by a clergyman whose talks proved futile but later sent another mission headed by Dr Chamran, a deputy prime minister whose talks at the end of ten days resulted in an agreement containing the following three provisions:

All armed groups such as those of the revolutionary guards, the Provisional Command and the Talebanis should leave Marivan, allowing army units to take over law and order;

The inhabitants of Marivan return to their home and businesses but avoid clashes with soldiers and government officials;

No unauthorised persons carry arms in public in Marivan pending the creation of local militia that will take over from the army.

Parties Involved in the Kurdish Issue

What has been happening in Marivan was only a sample of the state of affairs throughout Kurdistan. Struggles and clashes, overt and covert, have been going on everywhere. These catch the attention of Tehran or of the news media only when they lead to bloodshed. The forces involved cover the entire spectrum of political opinion, from the rightwing feudal landlords, religious zealots to left wing independence seekers. Some of the more prominent ones are briefly described below:

1. Kurdistan Democratic Party

This is one of the oldest and most influential of the Kurdish groups. It has well organised and active branches throughout Kurdistan. In 1945, it briefly forced a local autonomous government. It was a coalition government led by Qazi Mohammad but included also Mulla Mostafa Barzani. The government was overthrown by the shah's forces. Mulla Mostafa and his partisans left the country for the Soviet Union but Qazi Mohammad remained to fight it out. He was finally captured and hanged as a rebel.

For years afterward, the Kurdistan Democratic Party went underground under intense pressure by the shah's regime. After Mulla Mostafa's fight against the Iraqi regime collapsed due to the shah's abrupt end of his support, the Kurdistan Democratic Party began to rapidly reorganise itself and to secretly expand its organisation. This enabled the party to immediately surface and to take control of the area on the success of the revolution. While expressing its support for the provisional Islamic government, it renewed its demand for local autonomy. At present the party is lead by Dr Abdol-Rahman Qassemilou.

2. Hosseini supporters

The majority of the kurds are Sunnis (the Shi'as are no more than two percent). Their religious leader is Sheikh Ezzedin Hosseini who is highly popular among all Kurds. Sheikh Ezzedin supports Imam Khomeini and once visited Qom for personal talks. However, politically he works closely with the Democratic Party although officially he is not a member. He should be considered as a leader of the party.

3. Kurdish Farmers' Union

This union was secretly formed at the height of the repression by the shah's regime. While ostensibly it claimed to be a nonpolitical association of farmers, it in effect was highly political and closely collaborated with the Democratic Party. It was the Union that organ'sed the peasants in their struggle against the feudal landlords. In those years the Democratic Party found it more prudent to hide behind the Union. The Union has offices in all villages in Kurdistan and embraces all Kurds regardless of their religious sect.

4. People's Guerrillas

The People's Guerrillas (Cherikhaye Fedayee Khalq) who are considered by some as armed communist guerrillas surfaced in Kurdistan immediately during the height of the revolutionary fight. They formed armed units and carried weapons to Kurdistan. They stood beside the Kurdistan Democratic Party. In fact, it was their presence that has been mentioned by both the Imam and the Central government as reason for their suspicions about the guerrillas' intentions. Originally, the People's Guerrillas denied any formal link with the Kurds but subsequently formally claimed to have a Kurdish branch (Cf. FYI No 239). At present, these guerrillas are openly involved in Kurdish events. They arm Kurdish peasants and prepare them against feudal landlords/government forces.

5. Supporters of Moftizadeh

Moftizadeh is another Kurdish religious leader who enjoys support among Shi'as as well as Sunni Kurds. He was one of the first Kurdish leaders to visit the Imam after the revolution. He is still seen to represent the views of the Imam and of the central government. His support mainly comes from the middle and upper class Kurds in Kurdistan as well as from the revolutionary guards and the Imam's committees. The Kurdish Democratic Party and leftist groups oppose Moftizadeh and in the past there have been clashes between his supporters and those of the Farmers Union, supporters of Sheikh Ezzedin and others.

6. Supporters of Mulla Hassani

Mulla Hassani is an influential Shi'a Turkish religious leader in West Azerbaijan. He heads the Imam's committee and commands their revolutionary guards in the area. Recently, a statement issued by the Association of Kurds residing in Tehran, Mulla Hassani was named as being the direct cause of last month's clashes in Naqdeh. These clashes took place after allegedly the Shi'a Turks were provoked against the Sunni Kurds following a speech by Mulla Hassani in Ur umieh when he is reported to have said that it was alright for Shi'as to shed Sunni blood. Mulla Hassani fully supports the Imam and the Central government. In Ur umieh, he operates with complete authority and independence and fully enjoys the backing of the army.

7. The Provisional Command

This is the remnant of forces of Mulla Mostafa Barzani who are now commanded by his son. Opponents of this force recalling the past support given to Mulla Mostafa claim that they have links with the CIA, the shah and Israel. The forces come from the Barzani tribe, one of the largest among the Iraqi Kurds. The Barzani tribe fought against the Iraqi government for many years but their fight collapsed when the shah

reached agreement with the Iraqi government and he abandoned the Barzani cause. The Barzani forces fled to Iran and were settled as refugees in different areas. They are still scattered, almost all of them outside Kurdistan. Nonetheless, the Provisional Command has managed to gather about a thousand armed men which it can utilise in time of need. At present the Provisional Command is on the side opposed to the Kurdistan Democratic Party, the Farmers' Union and the leftists.

8. The Talebanis

The Talebanis led by Jalal Talebani are another Iraqi Kurdish tribe who originally sided with the Barzanis in their 1960s struggle against the Iraqi government. Later, however, Jalal Talebani split with Mulla Mostaffa and joined the Iraqi communist party in collaborating with the Baathist government of Hassan al-Bakr. Later, when the communists split with the Iraqi government, Jalal Talebani also escaped and renewed his fight against the Iraqi government in 1975. After the revolution in Iran, Jalal Talebani declared his support for Imam Khomeini and the Islamic Republic. At that time, he said that he would not get involved in the Kurdish unrest but there are indications of close collaboration between his men and the Kurdistan Democratic Party. While still operating mainly across the border he continues to receive arms and food supplies from Iran and when he is pressed by Iraqis, he seeks sanctuary near the Iranian border. In some armed clashes, his armed men have been reported among those of the Democratic Party and the Farmers Union.

In addition to the above, all of whom are indigenous, there are also other forces involved--namely the armed forces, the revolutionary guards and the Islamic guerrillas. There are also smaller groups who are difficult to properly define. The Kurdistan Democratic Party often tries to stand behind such professional and other groups as the trade unions, teachers associations or the Society of Kurdish Residents of Tehran. Its supporters maintain that the unrest and clashes in Kurdistan are the result of plots by members of the former regime and feudal landlords as well as unkept promises by the new government. These claims are rejected by official and religious circles who blame the communists and agents of foreign imperialism/Zionism for the trouble. Meanwhile, the public remains hardly aware of what is going on.

Prospects for the Agreement and the Future of Kurdistan

The draft constitution proposed for the Islamic Republic of Iran recognises the right of self-determination for ethnic minorities, but even the most optimistic observers do not expect the Kurdish issue to settle as simply as that. Kurdistan faces a number of problems, some of which can be summarised:

1. Definition of Autonomy

There has always been disagreement between the central government and ethnic minorities over the definition of the term "self-determination" or

local autonomy. The past 6 months have been no exception. It has now transpired that the same agreement still exists between the republican government and the Kurds. It is generally believed that the Kurdish Democratic Party means by autonomy, complete independence in all internal matters while maintaining some sort of link with Tehran in the form of electing members to the Iranian parliament, getting financial contribution for local administration and development and the stationing of Iranian forces along the national frontiers of Kurdistan with other countries. In all other matters, such as local administration, law and order, education, cultural and religious affairs, it seeks complete independence from the central government. The central government on the other hand maintains that the governor general and other senior government officials must still be appointed from Tehran, and that development, education and religious affairs as well as law and order should be part of the national organisation.

2. Balance of Power

All military garrisons, gendarmerie posts and police stations were overrun following the collapse of the shah's regime. The government so far has been unable to reestablish its authority in military terms. Almost every Kurd above the age of 16 irrespective of his affiliations, is now armed. The government has no army units or gendarmes except in major towns. It is this military weakness of the government that prevents it from enforcing its decisions.

3. Mutual Mistrust

The Islamic Republican Government and the Kurdistan Democratic Party hold each other in mutual mistrust. The government believes that the real intentions of the Kurdistan Democratic Party is complete independence and separation from Iran and that the party is now under the influence of leftists who do not show their true colours because they still lack sufficient force. Once they no longer need support from others, they will not remain loyal to the Iranian flag. On the other hand, the KDP maintains that government promises of autonomy are no different from those of its predecessors because actions still do not match words. It maintains that the government is once again trying to establish its military domination of the region and once it achieves that and reestablishes its administrative machinery, it will behave no differently towards the Kurds than the previous regime.

It is this mutual mistrust that may be the real cause of clashes in the recent months.

4. Foreign Elements

The Kurdish issue has always been of strategic interest to a number of foreign powers near and far. There are Kurdish independent movements in Iraq, Syria and Turkey, and naturally their governments are sensitive

towards their respective Kurdish minorities. Among the big powers, more recently the USA and the USSR have also shown interest. Their agents are known to be involved in events even though their governments officially deny any interference. There have been reports of foreign involvement in the army and giving sanctuary to such pro-shah elements as (former general) Palizban; the occasional Iraqi raids in Iranian territory, the concentration of Barzani and Talebani Kurds and their incursions into Iranian territory, etc. All of these elements add to the complexity of the issue.

The army ostensibly has established some garrisons in Kurdistan. Marivan is reported to be somewhat calm. But no one would imagine that there is going to be peace and stability in the area. In a recent message, Sheikh Ezzedin Hosseini has warned of the danger of an imminent clash between the army and the Kurds. In an open letter to Imam Khomeini, the Kurdish Democratic Party has appealed for his personal intervention to prevent a definite "explosion" in Kurdistan. There is no indication as to what extent such personal intervention is desirable or possible nor how effective it will be.

CSO: 4920

INFLUENTIAL KURDISH CHIEFS SHUN TALKS WITH GOVERNMENT

Istanbul AYDINLIK in Turkish 6 Aug 79 pp 1,7

[Text] Hakkari: Following clashes between Kurds and Iranian government forces, it is reported that the situation remains tense, and that the Kurdish chieftains who are in control of the area are not inclined to enter into discussions with the Tehran government.

It is reported that the most influential of these chieftains is Chief Senor, and that the chiefs Jihangir, Ahmet, and Tahir are also numbered among the more influential Kurdish chieftains.

The failure to obtain any definite results in the discussions held with the central government is being ascribed to the chiefs' unwillingness to turn over to Tehran their authority in the region.

Clashes had begun when the central government had wanted to establish military outposts in the regions inhabited by Kurds. The central government had intervened in the area with air support as well; however, the Kurds had forced the government to withdraw its troops. As will be remembered, 88 Iranian soldiers were obliged to seek refuge in Turkey due to the fighting. Meanwhile, two tanks which took refuge at the end of the fighting at the Esendere border station, on the Turkey - Iran border in the vicinity of Hakkari, are still waiting here.

It is stated that the clashes with the central government have primarily been headed by Kurdish troops loyal to Chief Senor. It is also reported that the troops loyal to Chief Senor had made hostages of Jihangir, Ahmet, and Tahir, other influential chiefs in the region, on the grounds that they had "cooperated with the government", but that later, upon agreeing to fight against the government, these chiefs were released and did fight along with the others.

Meanwhile, it is maintained that those fighting against the government are not affiliated with Barzani or Talabani, but rather are forces loyal to Chief Senor and the other Kurdish chiefs.

On the other hand, certain political circles in the area maintain that two primary factors have played a role in stopping the fighting.

One of these is the Tehran government's acceptance of some of the Kurds' demands during discussions with the Kurds' religious leader Sheikh Izzeddin Huseyni. The other factor is the restitution to the Kurds of the arms and ammunition which had been sent to them from various countries during the reign of the deposed Shah and seized by him. It is stated that the situation has remained tense due to the fact that these weapons, the return of which to the Kurds was allegedly promised by Khomeyni, have not yet arrived.

Meanwhile, it is reported that Mesut Barzani, in particular, decided during the fighting not to engage in large-scale and extended clashes with the government until the weapons arrive.

9173

CSO: 4907

IRAN

KURDISH PROBLEM STRAINS RELATIONS WITH IRAQ

Istanbul HURRIYET in Turkish 26 Jul 79 p 9

[Text] Foreign News Service — Recent developments in Iraq have drawn the attention of the entire Middle East to this nation. While Iraqi Head of State Hasan al-Bakr resigned, leaving his position to Saddam Husayn, the Kurds under the command of Barzani's son have rebelled against the government and withdrawn to the mountains. These two incidents are of sufficient import to trigger problems aimed at destruction of the "delicate balance in the Middle East."

Mulla Mustafa Barzani, who led the Iraqi Kurds for almost 40 years, escaped to America along with his son, Mesud, following his betrayal by the shah of Iran and the CIA with whom he was cooperating. Mesud stayed in America for 4 years and returned to his country after his father's death. He came to the head of the Kurdish Democratic Party and opened war on the government. Many Kurdish soldiers were afraid to follow Mesud owing to various indications of his having connections with the CIA.

After the Iranian Revolution

Taking advantage of the lack of control of the Iranian-Iraqi border, Kurds found the chance to slip from one side to the other. Then when Iraqi aircraft in pursuit of Kurdish soldiers crossed the Iranian border, the tension already existing between these two nations grew a little more every minute.

The Iranian government, troubled by the Kurdish rebellion in its own country, was not disposed toward cooperation with Iraq on the Kurdish problem because the Iraqi government was suspected of inciting Iranian Arabs to revolt and, quite the opposite, intensified the border clashes between the two countries.

Observers believe that, with these clashes, Saddam Husayn may be returning to a state of broad-scale war. Observers are saying that Saddam Husayn may resort to heavy arms against Iran.

Middle Eastern oil, meantime, lies right in the middle of this embattled triangle with Iranian, Iraqi and Kurdish soldiers each holding a corner. Both Iran and Iraq have oil deposits which dazzle foreign nations. Especially the Kirkuk region of Iraq, over which the Kurds are trying to gain control, is known for the richness of its oil deposits, and 100,000 tons of oil are pumped out of this region annually.

Should the Kurds become dominant in this region, Mesud Barzani's supporters would seize control of this oil. At present, Mesud Barzani's closest supporter is considered the United States and its secret organization, the CIA.

The Abadan region of Iran where the Arabs have rebelled and are trying to gain control contains Iran's richest oil deposits. The Iranians claim that the Iraqis are trying to seize the oil deposits in Abadan by supporting the Arabs.

Today, with all the world's nations caught in the pincer grip of the peaking oil crisis, the clashes which could break out in this region, where the blood of thousands of humans seems of less value than a barrel of oil, could lead to very serious results to destroy the political balance.

8349

CSO: 4907

PRESS ACTIVITY REVIEWED

Tehran EXCLUSIVE in English 12 Aug 79 p 7

[Text] The Imam finally decided to take a severe action against the anti-government newspapers after he had issued many warnings to the press which he called were creating rift among various groups of people. Last week, AYANDEGAN newspaper was confiscated by the Revolutionary Prosecutor's Office in Tehran. Apart from AYANDEGAN, other publications which are to be cracked down include daily morning PEYGHAM EMRUZ, weekly political Tehran MOSSAVAR, weekly humour AHANGAR, daily Fedayeen Khalq organ, KAR, and daily Mojahedin Khalq organ newspaper, MOJAHED.

To quiet down these opposition newspapers, two methods will be adopted. The first method is to summon them to the Revolutionary Courts while the second method is through the newly approved press bill. The first method is a harsh one. The paper in question will be totally confiscated. Khandanyha was recently confiscated in accordance with the first method. The property of the magazine and the print shop were all confiscated and its publisher was put in prison while the magazine was put at the disposal of a board of editors and is now being published in the same style but with a slightly different approach. Since KAYHAN was at one of the bank's mortgage, one of the Bazaar merchants was appointed by Imam to pay the debts of the bank and have the full control of the newspaper and then dismissed all the journalists who were opposing the new regime. And since ETTELA'AT had already accepted to work under an Islamic council, it was not confiscated.

However, the Revolution Prosecutor General used many documents against Dariush Homayoun accusing him of having close relations with the former regime in addition to having received financial assistance from Israelis in addition to having had other secret relations with Israel. Therefore, the Revolutionary Court has issued orders for the confiscation of AYANDEGAN's assets.

The above method is the easiest method of closing down the newspapers, since according to the press bill, a newspaper cannot be closed permanently and in order to close down a newspaper, a court order is required.

And the court should be held in front of a jury and that may take a few weeks. Meanwhile, implementation of the press bill by the Ministry of National Guidance is the first step towards cracking down the opposition newspapers. Meanwhile, since publishers of Tehran MOSSAVAR, Omid Iran and Paygham Emruz had been Majlis Deputies during the deposed Shah's regime they could easily be closed down while AHANGAR, KAR and MOJAHED will be closed down because they have a licence from the Ministry.

It should be noted that the anti-press attitudes adopted by the officials has had a severe reaction among the liberal and leftist groups as well as many foreign circles. The British Broadcasting Corporation (BBC) has had comments about AYANDEGAN for the past four nights and is up to date with the latest developments regarding AYANDEGAN. Although most people were no longer listening to BBC because of the freedom of press in Iran, with the closure of most liberal and leftist newspapers, they have resumed monitoring BBC and its popularity is increasing day by day. On the other hand, Kurdish spiritual and political leader, Ayatollah Ezzaldin Hussein has informed AYANDEGAN journalists that they could publish the same newspaper in Kurdistan and that the Kurdish authorities would guarantee their safety and distribution. The developments had induced the Ministry of the National Guidance and the government to take no part in these clashes but the pressure put by the Revolution Council is very great and Imam has been quoted as having said that he no longer can tolerate the opposition newspapers.

The Revolution Council is willing to ensure that publication of these newspapers would continue and therefore in the future AYANDEGAN may be printed in two different styles like KAYHAN; one pro and one against the government. And the property and print shop of AYANDEGAN will be put at the disposal of the deprived people and will be printed in an entirely new style.

CSO: 4920

CHAMRAN LINKS TO AMAL DISCUSSED

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 p 5

[Text] Many rumors and speculations have been spread concerning Deputy Prime Minister Dr Mostafa Chamran and Amal organization. These rumors were even spread at the local press thus, stimulating public interests. Last week, government spokesman Sadeq Tabataba'i denied rumors that the Islamic Republic of Iran had any close relations with Amal in hope of ending the rumors.

The main source of rumors was about Dr Chamran who is holding a Lebanese passport and was deputy to Imam Nousa Sadr, leader of the Lebanese Shi'it from 1973 onwards. Guerrillas of Amal organization all belong to Imam Sadr. Exclusive sources report that the close relation between Chamran and Imam has resulted in a more penetration of Amal guerrillas inside the Imam's close circles and that has created sources of concern among the opposition groups who are supporting Col Qaddafi and are led by Mohammad Montazeri, son of Ayatollah Montazeri.

According to these sources, opposition between two groups has passed the political opposition and entered an armed battle. At the recent Khuzestan unrest, Amal guerrilla groups confronted the guerrillas supporting Col Qaddafi and George Habash and had a most instrumental part in their recognition. On the other hand, in confronting the Sunni Kurdish guerrillas in Marivan crisis and Sero, guerrilla supporting Amal group were most instrumental.

It was said, meanwhile, that Dr Chamran, who is also in charge of the government's new intelligent agency is the link between the Amal group and the government and is making full use of his friends in Lebanon to confront the Iraqi and Qaddafi meddling in Iran. The Amal group members are presently giving training to the revolutionary corps at the camps in various parts of the country.

Exclusive sources are awaiting more confrontations between the Amal and Qaddafi supporters both inside and outside the government. It was said that director of the National Iranian Radio and Television, Sadeq

Qotbzadeh is linked with Qaddafi group while apart from Chamran, Government spokesman Sadeq Tabataba'i, who is also related to Imam Mousa Sadr is also linked with Amal group in Iran. These two groups are creating provocation against one another inside the government.

Some believe that the plot to kill Mehdi Bazargan which was printed in Omid Iran magazine was part of these plots and provocations. According to this report, Amal terrorists had plans to assassinate both Imam and Bazargan during their meeting in Qom and a number of guards in Imam's residence in Qom were collaborating with the Amal guerrillas.

CSO: 4920

LOYALTIES OF BAKHTIAR TRIBES EXAMINED

Tehran EXCLUSIVE in English 6 Aug 79 p 2

[Text] Bakhtiari tribes, who enjoyed a comparatively better standard of living during the former regime, are not much in favour of the Islamic Republic in Iran. Rural cooperatives and farms corporation which were designed by the technocrats of the Shah's regime are functioning adequately in various Bakhtiari villages, but the course of the revolution has somewhat slowed down the development trend in the region.

Shahre Kurd, is perhaps the first step towards the Bakhtiari tribes where there is an Imam's Committee and pictures of Imam Khomeini could be seen on various places. But, inside the vast Bakhtiari territory, there are not many pictures of any leaders to be seen.

Almost the entire three million population of this central Iran province back Shahpour Bakhtiar while there are still many people who are loyal to the Shah. The people openly shun religious clergies although they avoid any confrontation and clashes with them.

Unlike Kurdistan where even young boys are armed with automatic weapons, armed men cannot be seen inside the Bakhtiari tribes as the feeling of post-revolution does not exist in the region.

An exclusive report indicated, meanwhile, that there is a large experienced armed group in the Bakhtiari tribes whose members are supporting former Prime Minister Shahpour Bakhtiar and are in close contact with him. They try to pretend that they are not taking any part in politics for the time being until they hear more from Shahpour Bakhtiar who is presently in France.

EXCLUSIVE sources believe that the armed supporters of Shahpour Bakhtiar are presently getting organized and trying to attract the cooperation of other groups before they announce their existence as a powerful force supporting Bakhtiar. Meanwhile, they try to keep their silence towards various political activities in order not to be in the centre of the government's attention.

ROLE OF GENERAL QARABAGHI DISCUSSED

Tehran EXCLUSIVE in English 6 Aug 79 p 4

[Text] Dr Shahpour Bakhtiar's reference to the role of General Qarabaghi during the last few days of the Shah's regime clarified some dark points in the sudden collapse of the Shah's mighty army. In his recent press conference in Paris, Dr Bakhtiar revealed for the first time that Qarabaghi had made a compromise with certain religious leaders without his knowledge.

After the fall of Bakhtiar's cabinet and establishment of a republican in Iran, there were numerous rumours concerning Qarabaghi's damage to the Shah among various groups of people. It was speculated that Qarabaghi had ordered the army to surrender and disarm the army garrisons without the prior permission from the Shah or Bakhtiar.

Generals Badra'i and Bighliari, commanders of the Immortal Guards and Ground Forces who had learned of a conspiracy were both mysteriously killed in their offices by an unknown group. The speculation had even run high that the Homafars' case and opening of the arms depots were also part of the plot of Qarabaghi and the religious leaders. Only close aides to Qarabaghi were aware of the details of the plot while Mehdi Bazargan, Ayatollah Taleghani and Ayatollah Shariat-Madari were not even informed.

After the victory of the revolution, Qarabaghi disappeared in accordance with a previous agreement made between them and even today nobody knows about his hideout.

It was said that although one of the local committees was informed of the general's hiding place, it was not permitted to arrest him, and gave him ample opportunity to move to a safer place.

All the army generals who were executed had said openly that their superiors had assured them that if they surrendered they would not be executed and that they would be freed without trial. Therefore, General Khosrowdad, Rabi'i and other personally surrendered to the committees since they were certain that their lives would be spared. But, they were executed after a summary trial.

It was also speculated that Qarabaghi was taking part in court sessions with a mask covering his face, and on one occasion, Amir Abbas Hoveyda had recognised him.

What is certain, the Imam has said nothing against Qarabaghi until today and no orders for his arrest or trial have been issued. EXCLUSIVE sources report that Qarabaghi has promised to the Revolutionary Council to rebuild the army in favour of the religious leaders.

CSO: 4920

BIOGRAPHIC INFORMATION ON MUSTAFA CHAMRAN, SAVAK HEAD

Tehran FYI IRAN POLITICAL DIGEST in English 6 Aug 79 p 17

[Reprinted from AYANDEGAN of 29 Jul 79]

[Text] SAVAK, the horrible police machinery which was deputed to crush Iran's revolutionary movement for many years, has been reorganized by the provisional government, and Dr Mostafa Chamran, the head of the Lebanese Organization "Amal," has been named as its chief simultaneously.

According to reliable reports, the 7th and 8th departments of SAVAK have already been reestablished with some of the most savage officials of the Aryamehr regime among their staff. They include Jehangiri, the former head of SAVAK's Gonbad Kavous branch, and another SAVAK official, Syed Morteza Mousavi. Both of them are now posted at the U.S. Embassy Imam Committee and the former is said to be involved in arresting the Mojahedeen Khalq leader Mohammad Reza Saadati.

The reign of terror and strangulation caused by the SAVAK in Iran for over two decades is well known to all. This organization, whose reestablishment was hinted by Abbas Amir-Entezam sometime ago, must clarify its functions so as not to be mistaken as its predecessor.

Mostafa Chamran's political career as head of the reactionary "Amal" group needs no recognition. It was he who guaranteed the disgraceful exit of Mohammad Montazeri from Mehrabad Airport. He has the gratification of being the former head of the Shi'ite School in South Lebanon whose budget was provided by the former Pahlavi regime through its ambassador Mansour Qadr. Chamran was mainly responsible for collaborating with Phalangists and thus caused the fall of the Palestinian refugee camps Tal Za'atar and Nab'aa. Is it not known to the Iranian Government that despite the reactionary "Amal" group and is against cooperating with it in South Lebanon? This group's treacherous actions in Lebanon are known to many, and such persons shall not tolerate a betrayer like Chamran to continue his tyrannical role in Iran. We thus make known our firm determination to the Provisional Government to expose the disgraceful past record of Chamran and the new organization he is heading now.

BIOGRAPHIC INFORMATION ON INTERIOR MINISTER

Tehran FYI IRAN POLITICAL DIGEST in English 6 Aug 79 p 21

[Text] Interior Minister Hashem Sabaghian, who was an unknown figure during the revolution, has come into the limelight recently. After his first assignment as the Assistant to the Prime Minister, he is now holding a sensitive position on the eve of the coming elections to the Assembly of Experts. He has two most influential religious personalities as his assistants in Ayatollah Mahdavi-Kani and Ayatollah Hashem-Rafsanjani. Sabaghian is the only Government official to have assigned various posts to his close relatives. Many of his 12 brothers and two brothers-in-law have got such posts after the revolution. Among his brothers, one is the head of the Imam Committee in Saltanatabad, another is the Vice-Chancellor of a University, and yet another is tipped for the Deputy Ministership at the Ministry of Industries and Mines. His father, a retired army colonel, is now the head of the ammunitions department at the Military Industries. His other brothers are currently very active in the private sector. Among his far relatives, his cousin and the owner of the famous necktie shop, Massoud-Nia, became the Managing Director of Southern Fisheries, but couldn't retain that post for long. He is now tipped to become a provincial governor-general!!!

(Tehran Mossavar, July 1979)

CSO: 4920

BIOGRAPHIC SKETCHES OF POLITICAL LEADERS

Babak Zahra'i

Tehran FYI IRAN POLITICAL DIGEST in English 6 Aug 79 p 26

[Text] Name: Zahrai, Babak

Age : 29 years (born 1950 in Yazd)

P.P. : Secretary, Central Committee, Iranian Socialist Workers' Party.

Family

Background : Comes from a religious Yazdi family. His father was an active member of the Tudeh Party and was imprisoned several times. His grandfather, Ashrafol Va'ezin, was a Shi'ite preacher. His two brothers are active in the Socialist Workers' Party. His wife comes from a wealthy Zoroastrian family.

Education : Elementary and secondary in Iran.
Higher education in the United States in Physics.

Political

Career : Was familiarized with the Marxist ideology by his father. Joined the pro-Trotskyite Marxist group while in the United States, and later became one of its leaders. For the last 5 years, he was the Editor of the Iranian student's publication entitled "Payam-e-Daneshjou" (Student's Message) in the United States. Among all the leaders of the Marxist movement in the world, he believes in Marx and Trotsky. Considers Stalin and the present Soviet and Chinese leaders to have deviated from the principles of Marxism. Participated in the anti-Shah movement in the United States until March 1979. Once was one of the leaders of the Iranian Students' Confederation. In SAVAK reports has been accused of collaborating with the CIA. Has been actively leading the pro-Trotskyite Marxists in Iran since his arrival here after the inception of revolution in March 1979. Has

participated twice in a televised debate program with the pro-Khomeini Abol Hasan Bani-Sadr. His group is opposed to Imam Khomeini, religious parties, the Tudeh party and Mao supporters in Iran. His supporters, though not exceeding a few hundred, actively participate in workers' meetings. A number of his supporters were arrested in the recent Khuzestan workers' meetings and sent to Tehran.

Language : English.

Travels : United States and Europe.

Ehsan Tabari

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 pp 26,27

[Text] Name: Tabari, Ehsan

Age : Born in 1916 in Sari (Mazandaran)

P.P. : Member of the Politburo, Tudeh Party of Iran, one of the Tudeh Party candidates for Assembly of Experts to review the draft-constitution, writer and researcher.

Education : Elementary and secondary in Iran, higher education in Moscow and East Berlin, Ph.D. in Philosophy.

Political

Career : Joined Iran's Communist movement when he was seventeen years old. Was arrested and sentenced to jail term along with Dr Avani's Communist group in 1937. Was released following the downfall of Reza Shah in 1941 when he formed the Tudeh Party of Iran together with a group of his associates and was elected to its Central Committee. Was among the Party's active leaders and the editor of the Party organ "Mardom" until 1949. Secretly fled abroad after the Tudeh Party was declared illegal the same year and decided to reside in the USSR and East Germany. Returned home following the victory of the Iranian revolution in February 1979.

Publications: He is among the prominent writers who carried out valuable research work on the Iranian sociology. Has many translations of the Marxist literature to his credit.

Languages : English, Russian, French, German and Arabic.

Travels : European countries.

Habibollah Peyman

Tehran FYI IRAN POLITICAL DIGEST in English 12 Aug 79 p 27

[Text] Name: Peyman, Habibollah

Age : Born 1935 in Shiraz

P.P. : Dentist. A candidate for membership of the Assembly of Experts to review the draft constitution.

Education : Elementary and secondary in Shiraz, higher education at the Medical Faculty of Tehran University.

Political Career : Began his political career in his youth by participating in the "Iranian People's Freedom Movement." Was the leader of the Students and Youth Organization and also published the Daily "Labour & Freedom" from Shiraz during the times of Dr Mosaddeq in 1951-52. Was arrested and sent to prison during the 28th Mordad coup in 1953. Upon release, joined the National Resistance Movement. Was arrested again along with Dr Ali Shariati in 1957. Was a member of the Second National Front Committee at Tehran University and rearrested in 1960. Following his release, founded the Iranian People's Liberation Movement in association with the left-wing group. Was detained again and imprisoned in 1967. After a series of other political activities, set up the "Muslim Fighters' Movement" in cooperation with some other persons in 1976. Was arrested for the last time during the bloody demonstrations of Sept 8, 1978 but released after sometime. Dr Peyman has now been nominated as a joint candidate for membership of the Assembly of Experts by the four political groups which have united with the Mojahedeen Khalq Organization.

Publications: Is the author of a number of books on Islam, including "Proprietorship and Capital in Islam," Qoranic Outlook of the Philosophy of History" and the Principles of Socialism and the Iranian People."

Languages : English, French and Arabic.

Travels : European countries.

CSO: 4920

BRIEFS

ACCUSATIONS AGAINST DR MOFATAH--A six page booklet has been printed by a secret organization in which two documents against Ayatollah Dr Mofatah, a member of the Revolution Council have been reproduced. One of the documents which has been cliched in this booklet is a letter written and signed by the Savak chief in which he has ordered other security officials to protect Dr Mofatah during the demonstrations indicating that Dr Mofatah is a trusted member of the Savak and that his job is to make contact with the religious clergies to inform Savak. The other document is a letter written and signed by the former Savak chief General Nasser Moghaddam during his trial in which he had used Dr Mofatah's name as evidence that he was not responsible for the killing of certain people. In the letter, Moghaddam had said that Dr Mofatah would be his best witness since he was a member of Savak and on their payroll and could give testimony in this regards. There was no official respond to this booklet [as printed], which were sent to newspaper offices and distributed among the students in front of the Tehran University gates. [Text] [Tehran EXCLUSIVE in English 12 Aug 79 pp 3,4]

CSO: 4920

'POST' POLL: BEGIN, SENIOR MINISTERS POPULARITY DECLINES

Jerusalem JERUSALEM POST in English 21 Aug 79 p 2 TA

[Article by Mark Segal, POST Political Correspondent]

[Text] Tel Aviv--The popularity of Premier Menahem Begin and two of his senior ministers has declined, according to the latest poll on the standing of the government, conducted for the JERUSALEM POST by the Modi'in Ezrahi Applied Research Centre. Even the popularity of Defense Minister 'Ezer Weizman, usually a favorite with the public, has sagged according to replies to questions posed to a representative sample of 1,268 adults. The poll was held just before the latest row between Shim'on Peres and Yitzhaq Rabin.

Question: Who is best suited to be prime minister today?

	July 1979 percent	June 1979 percent
Menahem Begin	36.0	45.4
Shim'on Peres	14.4	12.4
Yitzhaq Rabin	7.5	6.1
'Ezer Weizman	4.4	5.2
Moshe Dayan	1.3	2.4
Yig'al Allon	1.2	-
Yitzhaq Navon	-	1.9
Others	4.3	3.5
Undecided	30.9	26.1

Question: Who is best suited to be foreign minister today?

Moshe Dayan	45.8	53.5
Abba Eban	10.7	11.3
Yig'al Allon	3.5	2.5
'Ezer Weizman	2.4	1.7
Yitzhaq Rabin	1.4	-
Shim'on Peres	-	1.0
Others	5.3	4.4
Undecided	30.9	25.6

Question: Who is best suited to be defence minister today?

'Ezer Weizman	53.6	62.6
Ari'el Sharon	5.1	5.5
Moshe Dayan	3.2	2.8
Shim'on Peres	2.6	2.8
Yitzhaq Rabin	2.4	2.1
Mordekhai Gur	1.3	-
Others	3.6	4.8
Undecided	28.2	19.4

Question: Who is best suited to be finance minister today? (This question was asked before the death of the late Yehoshu'a Rabinowitz)

Simha Ehrlich	9.7	8.9
Yiga'el Horowitz	5.2	-
Yehoshu'a Rabinowitz	4.3	3.7
Ya'akov Levinson	4.1	4.0
Yehezqel Flumin	1.0	-
Avraham Shavit	-	2.4
Arnon Gafni	-	1.0
Others	7.8	8.3
Undecided	67.9	71.7

Centre directors Mina Tzemah and 'Amiram Yarqoni, analyzing the results, said that the older the respondent the less inclined he was to support Begin. Begin received the strongest backing from the army age group (18-22), where 58.2 percent found him most suitable for the job. The same applied to Dayan, with Weizman's support spread out evenly among all age groups. Ehrlich received fairly low support from them all. Support according to age group:

Age Group	Begin percent	Dayan percent	Weizman percent	Ehrlich percent
18-22	58.7	57.1	54.4	11.6
23-30	36.3	50.7	58.2	10.6
31-40	35.8	49.6	58.1	11.0
41-50	30.2	37.3	51.4	5.6
51 plus	32.1	39.0	47.7	9.7

Begin received his highest level of support from the religious section of the nation, and the lowest from the secular, among whom only 24.4 percent supported him. While 42.6 percent of the secular population found Dayan suited to be foreign minister, 51.2 percent of the religious favored him.

Weizman's support was equally high among both the religious and non-religious--more than 50 percent. Among the secular, only 6.6 percent favored Ehrlich, but 17.5 percent of the religious favored him.

Not unexpectedly, when it came to the question of political party, Begin and his fellow ministers enjoyed their highest support among Likud voters and the lowest from the alignment:

	Begin percent	Dayan percent	Weizman percent	Ehrlich percent
Likud	79.4	67.1	69.2	21.7
Labor	11.7	35.2	51.0	2.6
NRP	47.4	50.0	55.0	14.1
Aguda	59.1	47.7	47.7	15.9

CSO: 4820

JEWISH AGENCY PLANS BLOC OF SETTLEMENTS SURROUNDING NABULUS

Tel Aviv YEDI'OT AHARONOT in Hebrew 19 Aug 79 p 5 TA

[Article by Arye Avneri]

[Text] The Jewish agency's settlement department is planning to establish a new bloc of settlements to surround the town of Nabulus. The first settlement will be established 7 km northeast of Nabulus and will be called Tirza. Three more settlements will be established west of it.

These details have been disclosed by the director of the Jewish agency's settlement department, Matityahu Drobles. He suggested giving priority treatment to establishing this bloc of settlements.

Drobles said that the Jewish agency's settlement department will make every effort in the next few years to populate the heart of Samaria through four blocs of settlements: The Tirza bloc, the Qedumin bloc, the Elon More bloc and the Shave Shomron bloc.

He claims that there are currently 41 settlements in Judaea and Samaria, with close to 20,000 people. "We suffer no shortage of candidates who want to settle," Drobles said, "we even have candidates from abroad, mainly from the United States, whose coming depends on whether they get permission to settle in Samaria."

The head of the Jewish agency's settlement department said that he hoped that in 1 month, when the Jerusalem Supreme Court again discusses the question of settlement in Elon More, permission would be given to continue to set up and develop the settlement, work which has been stopped in light of the court's interim injunction.

Replying to my question, Drobles said that the main purpose of the planning of Judaea and Samaria settlement is to control traffic routes along the main axes and thus guarantee control over Judaea and Samaria and establish facts before the autonomy talks are concluded. He claims that there will be no budgetary difficulties in financing the settlement activity.

Drobles also revealed that the settlement department plans establishing five new settlements on the Golan Heights too. He expressed his reservations over Maj Gen Avigdor Ben-Gal's statement that the Golan has reached a satiation point with respect to population, and remarked that there is room to add thousands of settlers to the Golan.

CSO: 4805

ISRAEL

BRIEFS

CABINET REJECTS PROPOSALS--Today the cabinet rejected a proposal made by Minister Sharon to set up 10 settlements in Judaea and Samaria and to declare the renewal of Jewish settlement in Hebron. This is reported by our political correspondent Shin'on Schiffer. In addition the cabinet rejected the prime minister's proposal to publicize the secret decision made 2 weeks ago in reaction to the U.S. initiative to formulate a new resolution about Palestinian rights. The cabinet also rejected Minister Landau's proposal to stop the autonomy negotiations and the Sinai evacuation in reaction to the U.S. initiative. [Text] [Jerusalem Domestic Service in Hebrew 1600 GMT 19 Aug 79 TA]

PUBLIC COMMUNICATIONS COMPANY--Today the cabinet decided to set up a public communications company and withdraw telephone services from the jurisdiction of the communications ministry. After the cabinet session, the communications minister told our correspondent that the independent company would be fully operative within 4 years. [Text] [Jerusalem Domestic Service in Hebrew 1200 GMT 19 Aug 79 TA]

CSO: 4805

SOUTH LEBANON CHRISTIAN RADIO STATION

Jerusalem Domestic Service in English 1200 GMT 22 Aug 79 TA

[Text] We have news of a rival radio station: It is being set up by Major Haddad and his fellow Christians in southern Lebanon. For that story--
Shim'on Ayyalon:

[Begin recording] If all goes according to plan the Voice of Free Lebanon will be on the air on medium wave in less than a month. Sources in Israel say the sponsors of this project are concerned American and European church officials. The transmitters are currently in Ashdod Port and will be transported to Lebanon this week. They should give the station enough power so its Arabic and English language broadcasts will be heard in Egypt, Syria, Iran and Iraq and of course, all countries in between. The broadcast format as currently projected was described as solid, quiet music with gentle pop, interspersed with news broadcasts and special programs for the UN soldiers in the region; programs which would broadcast to them messages from their families in their home countries, something along the lines of the BBC's family favorites.

Foreign volunteers are currently teaching a number of young Christian Arabs the intricacies of radio technical operations and also the various journalistic angles involved. The purpose of the radio station will be to give a balanced picture to the world of what is happening in southern Lebanon, that's the salient held by Christian and Muslim Arab forces which flanks the northern Israeli border. There will be no propaganda, but the Lebanese army major in control of the salient, Sa'd Haddad, will have a daily talk show slotted into the timetable.

Haddad is aware that the radio station may well be a target for Palestinian terror attacks and possible Syrian air or artillery bombardments, but arrangements have been made so that if the bombardments happen while the shows are on the air, outside microphones will carry the sound of the shell bursts to the transmitters and they will serve as a background effect--a sort of Levantin Tchaikovsky--at least until there is a direct hit.

If the radio project works out, the southern Lebanese broadcasts will expand to cover T.V. shows. Some funds have already been found to foot the bill for a color television transmitter and studio. Church masses throughout the world have already been videotaped for broadcasts and there are plans to take video recording crews to the countries of the UN contingents in the region. There, families of soldiers serving out here will say hello, send regards and wave to the cameras in special programs planned for the UN troops.
[End recording]

CSO: 4820

LEBANESE TRADE BALANCE, FINANCIAL POSITION DESCRIBED

CCIB Report

Beirut L'ORIENT-LE JOUR in French 1 Jul 79 p 9

[Text] The Lebanese balance of trade deficit in 1978 was estimated at nearly 3.17 billion Lebanese pounds. In fact, according to estimates of the Beirut Chamber of Commerce and Industry [CCIB], the value of imports for 1978 totaled 5.1 billion pounds in comparison to 1.93 billion in exports. Thus the proportion of imports covered by exports in 1978 was only 37.8 percent as opposed to 52.5 percent in 1977, when the deficit was 2.136 billion Lebanese pounds (4.5 billion pounds in imports as opposed to 2.364 billion in exports).

In a study on this matter, the CCIB predicts a continuous increase in the trade balance deficit for 1979 and future years as well because of the necessity of the economy to resort to imported products.

Toward Increasing Imports

This study actually notes: "The increase in Lebanon's national production and the rapid pace of its development are largely tied to the volume of imports. In order to meet its consumer, production and export needs, Lebanon imported 50 percent more than it exported.

"According to the nature of their use, these imports are classified as follows: nearly 40 percent in raw materials and semifinished products; almost 30 to 40 percent in finished consumer products; nearly 15 percent in durable goods; nearly 9 percent in products destined for reexportation.

"Since Lebanon's needs in the areas of consumption and investment will increase during the postwar period, the volume of imports is bound to rise.

"1. Raw materials and semifinished products: Lebanese industry had to import 60 percent of its needs in this category. This percentage is destined to

increase, from 70 to 75 percent, in coming years because of the destruction or halt in production of certain domestic industries.

"2. Finished consumer products: 60 percent of domestic market needs for consumer goods was provided by domestic products and 40 percent by imported products. Demand for foodstuffs and consumer goods is bound to increase in the years to come.

"3. Durable goods: The Lebanese economy will have a great need for durable goods, both for the construction of new industries and for modernization of existing installations. A notable increase in the importation of machinery, electrical equipment and transportation equipment can therefore be expected."

260 Million Pounds of Equipment Imports in 1977

The OCIB study continues: "It should be noted that the total value of imported machinery was 260 million Lebanese pounds during the first and last quarters of 1977, reflecting the availability of vast investment areas in production sectors after normalization will have occurred. Moreover, once the decreed allocation of 300 million pounds has been implemented, destined mainly for industrial establishments, the trend of investments will receive a fresh boost, especially if national harmony were to prevail. All of these facts indicate that a heavy increase in the volume of investments, which would exceed 1.5 billion Lebanese pounds, is bound to occur in 1979 ..."

It should also be noted that despite the events which have been going on for more than 4 years, the total amount of Lebanese imports from the six main industrialized countries has shown a notable increase, rising from 2.303 billion pounds in 1977 to 2.549 billion pounds in 1978, which represents an increase of 10.5 percent.

This amount could be broken down as follows: Italy--630 million Lebanese pounds; France--546 million; United States--425 million; FRG--340 million; Great Britain--334 million; Japan--268 million.

1978 Bank of Lebanon Profits

Beirut L'ORIENT-LE JOUR in French 10 Jul 79 p 9

[Article by Adnan Karimeh]

[Text] The Bank of Lebanon showed a record profit in 1978 of 508 million Lebanese pounds, as opposed to 255 million pounds in 1977, 180 million pounds in 1976 and 170 million pounds in 1975. That establishment's total profits for the 4 war years thus total 1.113 billion Lebanese pounds.

It is apparent that the Bank of Lebanon has learned how to take advantage of the world monetary development and of the increase in interest rates abroad, especially those of the dollar, which reached 13 percent at certain times

in 1978. In this connection, it should be recalled that this bank's foreign holdings totaled nearly 6.674 billion Lebanese pounds at the close of 1978. This amount exceeded the combined foreign holdings of all credit establishments operating in Lebanon, which totaled 6.058 billion pounds for the same year. As a result, most of the Bank of Lebanon's profits are due to its foreign investments. This means that this bank's situation is in no way different from that of other credit establishments which have broadened their scope of foreign operations because of the limited domestic investment opportunities resulting from an unstable national situation.

This increase in the Bank of Lebanon's profits will undoubtedly benefit the national treasury, whose current situation remains precarious because of the existing imbalance between revenue (since collection of taxes is practically impossible) and the increase in expenditures, especially those allocated for wages, which rise from year to year.

In fact, in accordance with article 113 of the Money and Credit Code, 80 percent of the Bank of Lebanon's profits go to the government, while the remaining 20 percent must constitute the bank's general reserve. Thus the government's total share of the bank's profits for the 4 war years will total 890 million Lebanese pounds, which includes 406 million pounds derived from 1978 alone.

Adding cash receipts received in 1978 to this amount, the total would be nearly 1.5 billion Lebanese pounds.

Thus treasury revenue and the Bank of Lebanon's profits are added to customs revenue, which exceeded 500 million pounds. This points up the importance of the contributing role of the Bank of Lebanon's commercial operations, which have assured support of the treasury at a time when collection of revenue was practically impossible because of the instability of the situation.

Furthermore, the Bank of Lebanon's support of the treasury is not limited only to allocating a percentage of its profits in behalf of the latter, but also providing it with advances. It should be noted in this regard that the amount owed by the government to the bank totaled nearly 1 billion Lebanese pounds as of the end of May. The Bank of Lebanon's increased support of the treasury has largely contributed to the decline of that establishment's foreign holdings, a decline which totaled 13 million pounds for the first quarter of 1979, whereas the amount of foreign holdings of other credit establishments showed an increase of 93 million pounds.

It should also be noted that the events of the last 4 years have caused a massive exodus of companies and capital, including that of credit establishments and the Bank of Lebanon. However, banking investments abroad, including those of the Bank of Lebanon, represent a good deal of investments in behalf of the Lebanese economy. Revenue from these investments, totaling nearly 1 billion Lebanese pounds in 1978, help to bolster the balance of

payments. Revenue from Lebanese workers abroad, transferred to Lebanon, would also have to be added to that amount.

All of the foregoing facts again confirm the stability of the Lebanese banking sector, which enjoys economic freedom and operating flexibility capable of providing it with the means for a good recovery once the situation has returned to normal.

Bank of Lebanon Financial Statement

Beirut L'ORIENT-LE JOUR in French 21 Jul 79 p 9

[Text] The Bank of Lebanon published yesterday its semimonthly financial statement as of 15 July 1979. In comparison with the statement of 30 June, the following may be noted:

1) Paper currency in circulation increased 1.3 percent in the 2-week period, rising from 3.543 billion Lebanese pounds to 3.591 pounds. However, this rise corresponds to the increase in the Bank of Lebanon's holdings in gold and foreign currencies during the same period, holdings which increased from 2.836 billion pounds to 2.873 billion. Thus actual coverage of the Lebanese pound remained constant at about 80 percent.

2) On the other hand, sight deposits of the Lebanese banking system with the Bank of Lebanon showed a notable decline, dropping from 2.34 billion pounds to 2.043 billion (-12.7 percent). The result was a reduction of 4.25 percent in the total amount of money in circulation, totaling 5.634 billion pounds as opposed to 5.884 billion as of 30 June.

3) Other deposits of public and private organizations rose 3.6 percent, from 1.208 billion pounds to 1.251 billion.

4) Advances to the public sector declined by 225 million pounds, totaling 556 million pounds as of 15 July. Advances granted to the private sector remained stationary at 63 million pounds.

5) A percentage of the Bank of Lebanon's 1978 net profits was allocated to the general reserve, which increased by 65 million pounds to 263 million as opposed to 198 million pounds previously.

Shown below is the balance sheet as provided to us by the Bank of Lebanon:

	As of 15 July 1979 <u>Lebanese pounds</u>	As of 30 June 1979 <u>Lebanese pounds</u>
ASSETS		
Gold and Foreign Currencies	2,873,011,609.69	2,836,957,706.53
Advances to Public Sector	556,144,111.08	781,144,111.08
Advances to Private Sector	63,042,924.53	64,427,719.91
Advances by Virtue of Law 28/67	1,207,904.78	9,205,203.18
Other Assets & Accts. Receivable	3,925,101,752.33	4,193,372,995.72
Total Assets	7,418,508,302.41	7,885,107,736.42

<u>LIABILITIES</u>	<u>As of 15 July 1979</u> <u>Lebanese pounds</u>	<u>As of 30 June 1979</u> <u>Lebanese pounds</u>
Obligations at Sight		
Paper Currency	3,591,182,344.90	3,543,413,978.69
Sight Deposits	<u>2,043,088,885.87</u>	<u>2,340,780,191.01</u>
	5,634,271,230.77	5,884,194,169.70
Other Deposits	1,251,990,427.94	1,208,445,023.69
Capital	15,000,000.00	15,000,000.00
General Reserve	263,085,660.55	197,773,190.25
Other Accounts Payable	<u>254,160,983.15</u>	<u>579,695,352.78</u>
Total Liabilities	7,418,508,302.41	7,885,107,736.42

11915

CSO: 4800

LEBANON

BRIEFS

ISRAELI BANK OFFERS SERVICES--The Hapoalim Bank has distributed brochures in southern Lebanon proposing to the villagers that they open accounts in the bank's branches in northern Israel. This is the first time that an Israeli economic institution has made such a suggestion to the inhabitants of southern Lebanon. Two banks served the villages of southern Lebanon but they were closed about 2 or 3 years ago. In the brochure, Hapoalim Bank informs the citizens of southern Lebanon that its branches in Nahariya, Qiryat Shemona, Safad and Tiberias can also administer accounts in Lebanese currency and carry out money transfers. [Text] [Tel Aviv HA'ARETZ in Hebrew 23 Aug 79 p 8 TA]

CSO: 4805

U.S. VIEWS OF PALESTINIAN RIGHTS INTERPRETED

Jiddah ARAB NEWS in English 7 Aug 79 p 6

[Editorial: "The Required Change"]

[Text]

As Egypt, Israel and the United States resumed their "autonomy" talks in Haifa yesterday, speculation on American-Israeli disagreements regarding the nature of the proposed Palestinian self-rule has come to the fore.

Many Arab observers still doubt that such disagreements exist. Others grant their existence but think that they have been blown out of all proportion by the American and Israeli media. Yet there are now indications that such disagreements both as to the means and ends of the current peace process have reached unprecedented sharpness in the normally amicable course of the "special relationship" between America and Israel.

There is no need to go back to that early stage in the peace process when these disagreements started. Their nature now, and the degree of acrimony surrounding them, can be readily seen from the last "self-rule" meeting in Alexandria, when Israeli sources close to the chief negotiator protested that the American side took a harder line than Egypt. This, they went on, caused a new hardening in the Egyptian position.

While some attention was paid to these deliberate Israeli "leaks" in the Arab and international press, many remained sceptical. It was possible that Israel had another motive in publicizing this. It might have intended it to pressure the Americans, or to isolate Egypt further from the rest of the Arabs by showing it as less resolute than even America when it came to Palestinian rights. Or it might have aimed at building up America's image for the Palestinians in the occupied territories, by presenting the Americans as the staunch defenders of Palestinian rights.

In the last few days, just before the resumption of the present round of meetings in Haifa, the story of American-Israeli disagreements has returned, but with far more decisive detail. Last week, both Harold Saunders of the State Department and Robert Strauss, the special American envoy to the peace talks, showed considerable understanding for the rights of the Palestinians and a greater willingness to support them.

It would be too simple to say that Saunders and Strauss gave an Arab interviewer the kind of talk the Arab side wants to hear; that they would soon change their tune when talking to the Israeli press. For in the same week President Carter himself had said something with truly serious implications, when he compared the Palestinians in

their struggle for their rights to the Civil Rights movement of the American blacks.

It is true that he said later that he was talking of the end in view rather than the means. Yet anyone who knows anything of the United States cannot but grasp the implications of such talk. Through it the American president can only mean that the right of the Palestinians to their homeland is on par with that of the blacks in America; a right which, in other words, no one disputes, with the blacks accepted as one of the oldest communities in the United States.

The contradictory nature of the reports emerging from America and Israel on America's true position tends to confirm rather than weaken the view that the two sides now are in disagreement. It was mentioned once that Strauss, who is Jewish, opposes the State Department's pro-Palestinian view, that he is in this at one with Walter Mondale, the Vice President. There was nothing to support this, however, in his recent interview. Equally, the conflicting reports of a conflict of view between Cyrus Vance, the Secretary of State, and national security advisor Zbigniew Brzezinski seem to cancel each other out. One view was that Vance far outstripped Brzezinski in the range of his understanding of Palestinian rights. The other was that the National Security Council was much more steadfast in the face of Israeli pressure than the State Department, which showed no wish to antagonize Israel further. These contradictions point to the multiplicity of sources eager to put their versions on record. This itself is of significance.

It is well known, though such matters are always relative, that the State Department has always been nearest among comparable bodies to an understanding of Arab demands, and a willingness to meet them. The position now ought to be more encouraging than at any time before, when the State Department could merely offer advice then sit back in silence as the Administration went on to do exactly the opposite. The present Administration appears to hold views close enough to those of the State Department to warrant hope for more from America than before, and that on a specific issue.

This concerns the phrase, "full self-rule", as it was in the Camp David agreements which appears to mean to the Israelis something quite different from what both Egypt and the United States have in mind. Israel does not want to yield to those living in the occupied territories any thing more than a limited measure of civic powers, insisting at the same time on its settlements remaining throughout the area, and on keeping complete control of matters of security and all matters, internal and external, which remain outside municipal jurisdiction. The United States understands "full self-rule" for the Palestinians to include judicial, legislative and executive powers which can in the end mean independence.

NUMBERS IN MILITARY TRAINING SEEN ON RISE

Riyadh AL-RIYAD in Arabic 9 Jul 79 p 5

[Article by Hamad al-'Askar: "Military Education; Fundamental Program To Build Our Manpower; Ministry of Defense's Budget Rose From 242 Million Riyals to 39 Billion Riyals in 20 Years in Order To Implement Manpower Development, Education and Training, Health Care, Housing and Other Services"]

[Text] Defending the homeland and building the force to safeguard its security are not the only fundamental tasks undertaken by the Ministry of Defense or the tasks to which this ministry's efforts are confined, even though this aspect is the starting point, rather the base, of the ministry's tasks. There is another fundamental and important aspect to this ministry's tasks.

This aspect is that of building the manpower and developing the capabilities of this country's citizen through the various phases of the military education and training program on the one hand, through the welfare and service programs that the ministry offers to its personnel, who constitute a considerable sector of this country's citizens, and through participation in the service programs of the other sectors on the other hand. The military education and training schools, institutes and colleges have not only been set up to graduate military men who undertake the armed forces' responsibilities. They also seek as much to develop the manpower capabilities in order to build this country's civilization and to strengthen its entity.

In 20 years, the budget of the Ministry of Defense jumped from 242 million riyals for the fiscal year 1380-81 of the Hegira to 39 billion riyals in the fiscal year 1399-1400 of the Hegira. The first figure constituted 19 percent of the general state budget for 1380-81, whereas the second figure constitutes 25 percent of the general state budget for fiscal year 1399-1400 of the Hegira. The defense sector budget is distributed as follows: 8.18 percent for the manpower development programs, 8 percent for the education and training programs, 2.7 percent for the health care programs, 24.5 percent for the housing and military installations programs, 14.9 percent for

the management, operation and maintenance programs and 42.22 percent for other programs.

Concerning the aid advanced by the Ministry of Defense for the armed forces for the comprehensive development spread throughout the Kingdom of Saudi Arabia in the spheres of education, training, medical services, housing and military industrialization:

First: Accomplishments in Sphere of Housing and Military Installations:

1. Housing: The number of already completed housing units and of those still under construction as single family units amounts to 19,770 units. The number of collective housing units is 56,000 units. These units are spread in the various provinces of the kingdom.

2. Military Installations and Facilities:

[There are] three military towns and a number of military bases. There are 803 other military installations which include the military colleges, schools, hospitals, clubs and public facilities.

3. House Ownership and Land Distribution:

The ownership of 249 villas has been turned over [to army personnel] and 2,933 plots of land have been distributed to members of the armed forces in the city of Riyadh. Moreover, a total of 1,120 plots of land have been distributed to members of the armed forces in the city of Medina.

Second, Education and Training:

The Ministry of Defense and Aviation has contributed toward developing the personnel of its armed forces educationally and technically in the various spheres. The ministry has set up numerous civil, military, technical and management schools to develop troops capable of keeping up with modern technology and of using the best and most advanced weaponry to defend the Islamic sanctities and the security and stability of this faithful country. It has also participated extensively in eradicating illiteracy and in providing adult education. These efforts have included large numbers of the ministry's personnel and their families, including both males and females. Following are some aspects of the civilian education to which the ministry devotes the necessary attention:

1. The ministry is contributing toward raising the standard of the national teachers by including many of these teachers in the training courses conducted by the Ministry of Education both at home and abroad. The Ministry of Defense also offers these teachers numerous incentives, especially in the military areas.

2. The ministry exerts efforts to secure all the educational needs of its members and to develop the schools under its supervision so that they may keep pace with the comprehensive development in all parts of the country. The ministry has also introduced programs for teaching the English language, in addition to teaching English to the fourth grade of the elementary school stage as a voluntary subject.

3. The ministry will continue to implement a comprehensive and complete plan to eradicate illiteracy among its personnel and their families, to prepare kindergartens and clubs for the officers' children, to begin preparations for summer camps for those students wishing to attend them and to provide educational and cultural programs for these students.

4. Moreover, the ministry is preparing for the expected expansion in the number of schools in the next 3 years when this number will rise from 35 schools for the various stages to 59 schools.

5. Student Statistics for the year 1398-99 of the Hegira:

Educational Stage and Number:

Illiteracy eradication and followup: 7,540 students.

Male and female elementary students: 3,726.

Intermediate [junior high] male and female students: 1,506.

Male and female secondary students: 1,062.

Army personnel in intermediate night schools: 1,605 students.

Army personnel in secondary night schools: 832 students.

Students on scholarship in various specializations at home: 60 students.

Students sent abroad on scholarships for various specializations: 1,658 students.

The rate of the Ministry of Defense's participation in civilian and technical education in the kingdom for stages below the secondary school amounts approximately to the following:

Eradication of illiteracy and followup: 18 percent.

Elementary education: 0.5 percent.

Intermediate education: 0.8 percent.

Secondary education: 2.5 percent.

Technical Military Education:

In view of the unavailability of trained personnel capable of working in the various sectors of the armed forces and due to the unavailability of this type of training which meets the needs of the military sector, the Ministry of Defense has exerted efforts, like other ministries of defense in the world, to set up schools and academies that meet the work requirements. This includes the following schools and colleges:

1. King 'Abd-al-'Aziz Military College: Secondary school graduates are enrolled in this college and are graduated as officers prepared to work in the various sectors of the armed forces. They are graduated with a B. A. in military sciences.
2. The Command and Staff College: Officers with the rank of captain and above are enrolled in this college for training on war technology and arts to qualify them to shoulder the responsibilities of the tasks of the various military units. These officers graduate with an M. A. in military sciences.
3. Military Secondary Schools: Graduates of junior high schools are enrolled in these schools to get their high school education. On graduating from these schools, these students are enrolled in the military colleges.
4. King Faysal Air Academy: Graduates of high school are enrolled in this academy from which they graduate as military pilots and as technicians qualified militarily to work in the units of the air forces. On graduation, these students acquire a B. A. in military sciences.

Moreover, a total of 13 military and management schools have been set up to teach the armed forces personnel the various types of military disciplines that enable them to work in the advanced modern corps, such as artillery corps, infantry, armors, paratroopers and the other units of the armed forces. This is in addition to training on maintenance, mechanical and electrical work needed for the equipment and machinery of the armed forces. This training is beneficial not only in the armed forces but in the various spheres of development in which the graduates may work after leaving the military service. These schools also graduate students to work in the field of administration. For example, a total of 53,973 such students were graduated in the period from 1372 to 1392 of the Hegira.

The graduates of these schools become specialists in various technical vocations. During the aforementioned period, the service of many of them in the armed forces was completed, and these graduates proceeded to work in the private sector, where they have participated very successfully. This success has been achieved as a result of the excellent training they acquired in the armed forces. Retired army personnel have also participated with great success in the commerce and service branches of the private sector.

This ministry is still devoting extreme attention to this vital facility out of its belief in preparing the Moslem soldier, who is armed with the faith of Islam and with modern science.

Third, Medical Services:

Following is a summary of the history and activities of the armed forces medical services:

1. In 1367 of the Hegira, the first nucleus of the medical services was set up in the city of al-Ta'if and was known then as the Military Health [Service].
2. In 1373 of the Hegira, a military hospital was built in Riyadh with a capacity of 221 beds.
3. In 1379 of the Hegira, a military hospital was built in al-Dammam.
4. In 1384 of the Hegira, a military hospital was built in the Northern Province with a capacity of 150 beds.
5. In 1394 of the Hegira, the General Administration of Medical Services was reorganized, was allocated an independent budget as one of the branches of the ministry and came to be known as the General Administration of the Armed Forces Medical Services.
6. In 1394 of the Hegira, a new hospital was built in Riyadh with a capacity of 330 beds. It was built in accordance with the highest international standards and was equipped with all the service and housing facilities [at a cost of] nearly 1.6 billion [riyals]. The Medical Services Administration runs the hospital in cooperation with a specialized international company.
7. In 1393 of the Hegira, three new hospitals were built in Khamis Mushayt, Tabuk and Jiddah, and their management was entrusted to a specialized international company.
8. The task of the medical services is not confined to providing health services to members of the armed forces alone, but also includes civilians in remote areas, members of the national guard, border guard and coast guard and pilgrims to al-Ka'bah during the pilgrimage season.
9. In 1398, the renovation of three hospitals, each with a capacity of 100 beds, was started in Tabuk, Khamis Mushayt and al-Zahran to replace the old hospitals.
10. A contract has been concluded for supplying a field hospital with a capacity of 50 beds and equipped with the latest medical equipment to serve members of the armed forces in the field.

Fourth: Military Plants:

One of the components of effective armed forces is the presence of military industries supplying these forces with weapons and munitions when needed. Proceeding on this basis, our wise government, represented in the Ministry of Defense, has devoted special attention to modern military industries and has bolstered the material and technical development of these industries to make it possible to achieve relative self-sufficiency. This interest dates back to the days of the late King 'Abd-al-'Aziz, may God have mercy upon him, who built a munitions factory in 1370 of the Hegira. This interest continued in the era of the late King Faysal, may God have mercy upon him, and with the start of the Second Five-Year Plan. The following has been achieved:

1. Modern production means have been introduced to develop and enhance the production capacity and to train the national manpower. The Industrial Training Center undertakes the responsibility of developing manpower.
2. Expansion of the industrial installations and entering the field of military industrialization: The first national weapons plant was built and King Faysal, may God have mercy upon him, did the honors of inaugurating the Industrial Training Center and the weapons plant in 1394 of the Hegira. Attention has continued to be given to this sensitive facility on the instructions of Prince Sultan ibn 'Abd-al-'Aziz, may God keep him, so that it may achieve the desired goals. Numerous accomplishments have been made in the form of production projects and facilities to serve production and to serve the workers and provide them with health, social and athletic care.

Numerous projects have been completed, including: The central laboratory, the central maintenance workshop, the water purification plant, the water distribution network, roads, the electricity plant, the sports stadium, a club, the general administration building, the target practice range, the warehouses and parking lots. This is in addition to the military plants which, God willing, will contribute toward enhancing military production.

11. The military services have devoted attention to providing physicians and technicians, and there are nearly 200 students sent on scholarships abroad to study medicine, not to mention those sent to become technicians.
12. Technicians Working in Medical Services: A total of 434 physicians, 44 pharmacists, 932 male and female nurses and 471 assistant technicians, thus bringing the total to 1,881 workers.
13. The Armed Forces Medical Services provided during the 10 years from 1387-97 of the Hegira full medical service to 10,810,181 patients.

14. The number of hospitals under the control of the Armed Forces Medical Services Administration is 13 hospitals distributed in the various parts of the government and equipped with the latest medical equipment.

The total number of beds in these hospitals is 1,646 beds.

15. The number of workers in the various branches of the medical services, both military and civilian, reached by Muharram 1399 of the Hegira a total of 5,297 workers with various specializations, including 1,988 Saudis and 3,309 non-Saudis.

16. The number of jobs allocated in the operational program of the armed forces hospitals in Riyadh and al-Kharj amounted to 1,239 jobs, most of which have been filled with various specializations.

The abovementioned projects are not all the projects for which we aspire and which the military plants [sic] intend to achieve. There are other projects under construction and projects in the stage of planning so that the military plants may reach the position that enables them to serve and to produce military hardware for the armed forces.

8494

CSO: 4802

SEMINAR STUDIES HOW TO MINIMIZE IMPACT OF WEST

Jiddah ARAB NEWS in English 11 Aug 79 p 3

[Text]

JEDDAH, Aug. 10 — The Saudi intelligentsia has begun a dialogue on Islamic and Western cultures aimed at halting the effects of foreign thinking "imported" with modern technologies.

A number of leading Saudi figures participated at a seminar at Jeddah Dome, organized by *Saudi Gazette* and the Saudi Arts and Cultural Society, over the weekend.

Hisham Ali Hafiz, the publisher of *Arab News*, *Asharq Al-Awsat* and *Saudi Business* questioned whether the evolution and development of the Saudi society would mean the import, not only of Western hardware and technology, but also of Western culture as a whole.

Until now, he said, Western influence has had an adverse effect on Islamic culture.

He compared the current state of many Islamic countries to children born with deformities because their mothers had taken drugs during pregnancy inconsistent with the nature of their bodies.

The majority of Muslim countries, unfortunately, show anomalies. Regimes are distant from people who do not oppose them.

The English and French colonialists joined hands with world Zionism to destroy the values and political, economic and social institutions of Muslim society; and they succeeded.

Hafiz said "If we look into any conspiracy against Islam and Muslims, we invariably find that the Jews were behind it, now directly and now indirectly."

Western culture does not always affect Muslims' political life by chance, but was the outcome of an elaborate plan to deform Islamic life and political, social and economic institutions, he said.

Our political life was originally based on an Islamic fraternity, away from nationalism and racial considerations, Hafiz said.

He pointed out that Western democracy flourished during the era of colonization of weak peoples and at the time as the role of the Church in Europe had diminished, from the middle of the last century.

On the other hand, since the time of the Holy Prophet until the fall of the Ottoman Empire Muslim society was ruled by

the Book of God (the Holy Koran) and according to the Prophet's Traditions, no matter how different actual political institutions were.

He said that obvious Western influence, on the political level, came at the time of Sultan Abdul Hamid, according to a well-prepared plan. That was the end of the last century.

The seminar was also attended by Dr. Ghazi Madani, dean of the Faculty of Economics and Commerce at King Abdul Aziz University, Jeddah; Dr. Mansour Al-Hazemi, professor of the Faculty of Arts of Riyadh University; and Reda Muhammad Lari, editor of *Okaz*.

The seminar was chaired by Ayad Madani, editor of the *Saudi Gazette*.

He blamed the regression of Arab scientific research on the spread of Western culture.

Dr. Hazemi said that intellectuals like Rifaa Al-Tahtawi, Muhammad Abdo and Lutfi Al-Sayed had called for "Pharaonism and Egyptian nationalism and expressed sympathy with the French campaign," and this breach was exploited by the West.

BELGIAN CONSORTIUM'S HOSPITAL PROJECT TO MOVE AHEAD

Jiddah ARAB NEWS in English 8 Aug 79 p 2

[Text]

TAIF, Aug. 7 (SPA) — Information Minister Dr. Muhammad Abdo Yamani has said that work on two National Guard hospitals by a Belgian consortium that included the recently bankrupt Eurosystem Hospitalier will go ahead.

He said Monday that National Guard officials had met the heads of the companies involved, and they had agreed that the remaining eight firms can finish the projects alone. Assurances the work will be finished had also been received from the Belgian government.

Dr. Yamani described Belgian reports on Eurosystem's involvement in Saudi Arabia as "untrue and incorrect," and said information published on the cost of the project, why Eurosystem crashed and the effect the bankruptcy will have were a smear.

He assumed it was a campaign designed to hurt relations between Belgium and Saudi Arabia, relations which had grown close in recent years.

It was part of a campaign against the Kingdom and its officials for Saudi Arabia's just stand on the Middle East crisis and an attempt to blame Saudi Arabia for world energy problems — despite its just and honest attitude to the world economy.

The truth about the contract, he said, is that :

"On June 14, 1976 the National Guard signed a contract for the construction of two modern 500-bed hospitals and two medical cities, in Riyadh and Jeddah, with a consortium of nine Belgian companies. The two cities are to house workers at the two hospitals.

The basic cost of the contract is SR2,650 million.

"The project was to be finished in fifty-four months.

"As is usual in all contracts, work was to be carried out according to a fixed program.

"Some of the stages were completed on time. The hospitals are progressing on schedule, and in some areas work is ahead of schedule.

"The only delay in the project was at the two medical cities. The Riyadh city was to have been finished in 24 months, the Jeddah in 30. The delay was because the consortium hired as subcontractor a Mexican firm that could not work to the exacting specifications. Their work was stopped and there were some problems between it and the consortium.

"Some while ago work on the two cities resumed, and no further obstacles were encountered. The Riyadh city is almost complete and the buildings are now furnished. The Jeddah city is progressing well.

BRIEFS

FRENCH MISSILE--Cairo--Report by Nash'at al-Taghlubi--I have learned that Saudi Arabia has reached agreement with France for the joint production of the latest surface-to-air missile launched from a mobile pad. What has become known so far is that the new missile will be called Shahin and will be used to combat aircraft flying at medium or low altitudes. The maximum range of this missile is 10,000 meters. This missile can be launched from a vehicle or from any similar mobile pad equipped with a radar guidance system containing operation and guidance chamber. Military experts say that Shahin will be one of the strongest and best antiaircraft missiles. It enjoys superior maneuverability and it is impossible for aircraft to escape it. It is known that like other missiles, this one is based on heat seeking which is something that requires great flexibility, in addition to radar guidance. This missile is smaller in size than the SAM-3 and a little larger than the French Crotale missile. The Saudi-French agreement stipulates that the Kingdom of Saudi Arabia will be the first country to acquire this missile immediately upon its introduction to service in France. It can be then sold to other countries. The new missile is expected to enter service in the French Air Force next month. [Text] [London AL-HAWADITH in Arabic 13 Jul 79 p 12] 8494

CSO: 4802

SULTANATE OF OMAN

SA'ID AHMAD AL-GHASSANI DENOUNCES PFLO ACTIVITIES

Muscat 'UMAN in Arabic 7 Jul 79 p 2

[Television interview with Sa'id Ahmad al-Ghassani: "I Have Returned to My Country as Soldier Under Command of His Majesty the Sultan; Aden Uses Terrorist Elements To Implement Its Plans Against Sultanate; Front's Remnants Are Incapable of Confronting Development Being Witnessed by Country; Leaders of So-Called Front Must Return to Their Senses and to Fold of Legitimacy")]

[Text] Sa'id Ahmad al-Sayl al-Ghassani has reaffirmed his loyalty to His Exalted Majesty Sultan Qabus. He has also stressed that the regime prevailing in Oman is the legitimate regime and that the so-called PFLO [Popular Front for the Liberation of Oman] is nothing but a propaganda facade for sabotage plans aimed at blocking the growth and development being witnessed by Oman under the wise leadership of his majesty the sultan.

Sa'id al-Ghassani made these statements in an interview conducted with him by the Omani television. Following is the text of the interview:

[Question] We welcome your return and the return of the sincere. The homeland needs every one of its sincere sons to take part in building it under the wise leadership of his majesty the sultan. We are happy to welcome you and to say that return is the best thing. Brother Sa'id, you have returned to the open bosom--the bosom of God, of the homeland, of Islam and of loyalty and legitimacy. We beg you to tell us about the reasons that made you return and made you aware of the need to return.

[Answer] The most important reasons that made me decide to return to my homeland and to the fold of legitimacy are my feelings that what we had dreamt of and aspired to has begun to be realized on the soil of Oman. Consequently, there is no use in any contrary action. I also deemed that I must return to the bosom of my homeland and be a soldier under the wise leadership and rule of his majesty the exalted sultan. Naturally, a deep and ever-growing feeling emerges when a man finds that accomplishments are made on the soil of his homeland day after day and when he hears that his

compatriots live honorably under the canopy of the supremacy of the law and of social justice.

These are the most important reasons that made me decide to return to my homeland.

[Question] This means that your return is based on full conviction and comes in the light of numerous facts, the most prominent being, for example, the growth, development and progress being witnessed by the sultanate and with which you have been keeping abreast?

[Answer] Correct. My conviction was complete. Had it not been, I would not have come. I was truly fully convinced that what we are doing and what we wish for our homeland is what is being achieved. When I became convinced of this, I found that there was no need for illegitimate action.

[Question] Does your return mean the collapse of the propaganda facade?

[Answer] Naturally. In fact, the front has greatly disintegrated and has turned into remnants that cannot stand in the face of the growth and development that are taking place. The legitimate regime led by his majesty the sultan has made strides of which the front could not even boast. This is why they are in a state of collapse and why they can no longer keep up with the procession.

[Question] This means that you are saying that the so-called front has lost its justifications?

[Answer] Correct.

[Question] In the light of this, does not your return--I am not saying that you have come late because whoever returns to his homeland is never late--are you not somewhat late in coming after the appeal, after the development and after you became personally aware of all this?

[Answer] Correct. These words are right. I am nearly 9 years late. This is due in the first place to the fact that I was very far from the homeland and due, in the second place, to the unrealistic propaganda that is trying to draw a curtain over the actual growth and development taking place in the sultanate. We reach the truth slowly when the facts reach us falsified. My conviction became complete after I read some foreign papers and the sultanate's papers which reach us every now and then. This, in fact, is the reason for my lateness.

[Question] With all these indicators that are witnessed by the sultanate, don't you think that the issue has become one of mere rash obstinacy, of injustice against the homeland of selling the soul to the devil?

[Answer] It is my belief that I cannot explain this obstinacy except as obstinacy against the truth and against the reality. It is also my belief that this obstinacy will not last long, because the truth vanquishes any falsehood. The truth is like the sun which exposes every hidden and concealed thing. The obstinacy of all the members of the so-called front will do them no good ultimately. Nothing will do them any good. They must return to their senses and return to their homeland, if they wish. If they do not wish, then anyone who strays will ultimately lose himself.

[Question] Truly, the path of crime is doomed to failure historically and nationally, not to mention the legal and Islamic aspects.

[Answer] This is right. There is no doubt that the false path is the illegitimate path and that it is ultimately doomed to failure. This being the truth, it is my belief that they, if not all of them then at least most of them, will return to their senses some day. If they persist in their course, they will only reap terrible failure—a failure which they are experiencing now.

[Question] Brother Sa'id, did you, while preparing to return, try to convince your colleagues of these ideas, to persuade them that they have lost the justification and that they must return as you have reasoned?

[Answer] In fact, I met with many people and explained to them all that is being accomplished in Oman. Complaint began to spread on a large scale among all the individuals enrolled in the membership of the so-called front. It is my belief that many of them will return to reason and to their homeland, God willing.

[Question] Can you shed light on the handful of which the leadership consists—a handful of men with whom you have lived and whom you have tried to convince?

[Answer] There is, in fact, a remnant, not a large one, that lives in South Yemen and in some Arab countries, that is greatly divided and that is dominated by chaos in everything it claims. This is why I believe that all of them, or most of them at least, will return to their senses and will be persuaded by the truth.

[Question] What are the names of the leadership members?

[Answer] The leadership is comprised of seven persons, including Muhammad Ahmad al-Ghassani, Ahmad 'Abd-al-Samad, 'Abd-al-'Aziz al-Qadi, 'Ali 'Abbud, 'Abd-al-Hafiz and Khalfan.

[Question] We ask, rather we wonder how a group, groups or even individuals who belong to the Islamic faith follow a current hostile to the Islamic faith and seeking to uproot this Islamic faith, namely Marxism? How do you interpret this and what are the factors that turn such people into bayonets aimed against Islam?

[Answer] The backwardness that was present in Oman urged many people to bear arms and to stand against anything legal [sic]. This was the beginning of the deviation. When man begins to stray, one step follows another and he inevitably ends up with no refuge, except for a man blessed by God with a sound reason that can see the truth and respond to it.

[Question] Do you mean that external pressures are perhaps the reason for their continued attempts and that, consequently, the pressures of Aden are probably the direct reason? What is your opinion?

[Answer] Aden certainly has an interest in the continued presence of any opposition to the Sultanate of Oman. Consequently, Aden inevitably supports anyone opposed to the sultanate to enhance and implement its purposes. There is no doubt that numerous countries make their calculations on the basis of their interests. If they are hostile to any country, they use all possible means against this country.

[Question] The fact is that it is painful that a man should turn into an instrument for sabotaging his country, his faith and his homeland. Any comment?

[Answer] It is truly very painful that a man should turn against his homeland. We, I mean myself in particular, rose long ago against the backwardness that prevailed under the defunct regime, and we have become only lately aware of what has actually happened. At the outset, our goal was not at all against our country. But now in the wake of the blessed step of his majesty the sultan and of what has been accomplished under his canopy, the concepts prevailing in the past have become something different, considering the growth and the development that have covered all of Oman. Anyhow, if those people get no truthful reports about this reality, they will continue to stray unwittingly and will continue to be against their homeland unwittingly. But many of those people have become aware of or have seen the truth with their own eyes and have begun to return to their homeland, seeking to participate in the blessed procession and in the country's development.

[Question] What is your work exactly in the so-called front?

[Answer] I was representative of the so-called front in Libya.

[Question] Can you then tell us about the Libyan pressures? Were Libyan pressures exerted on you to turn you against the area?

[Answer] Libya has always undertaken to topple many of the world's regimes.

This is why it supplies the opposition fronts and all the rebels in the world with weapons and money. Libya believes that it is its right as a nationalist state to help all peoples. Naturally, this is in conflict with numerous legal aspects. As far as I know, the Libyan regime is trying

to topple all the regimes in the Gulf and the Peninsula. In fact, this regime supplies whoever wants to act against his country with weapons and money, including the so-called PFLO.

[Question] This means that they are always with the gang?

[Answer] Of course.

[Question] Colonel al-Qadhdhafi is making his Gulf tour. How can we reconcile his attempt to topple the Gulf regimes with his latest visit and efforts at friendship with the Gulf states?

[Answer] It is my belief that this is part of the capricious policy that is at times with solidarity and at others with plots and intrigue. Naturally, this is immoral. Nobody likes hypocrites. This is part of the always vacillating and inconstant Libyan policies.

[Question] Brother Sa'id, at the conclusion of our interview, is there a word that you can address to the misled so that they may realize what you have realized?

[Answer] Of course it pleases me to appeal to all those who have not been urged by reason in this tribulation to return to their homeland, to see the truth with their own eyes, to discover the falsehood on which they feed every day, and to see that Oman is well and will remain well, God willing. We appeal to every honorable man to return to his family and to his country in order to participate with his family in building the edifice of Oman--the Oman of history, of the present and of the future.

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AIR BATTLE BETWEEN SYRIA, ISRAEL ANALYZED

Paris AL-MUSTAQBAL in Arabic 7 Jul 79 p 11

[Article from Damascus by Louis Faris: "How Are the Soviets Facing Up to the F-15 Airplanes After the Air Battle Between Syria and Israel?"]

[Text] What exactly happened on Wednesday the 27th of last June when Syrian airplanes opposed Israeli airplanes that were bombarding Palestinian camps in Lebanon?

AL-MUSTAQBAL posed this question to high level sources in the Syrian capital who related the details of the incident as follows:

On Wednesday morning last 27 June, Syrian observation agencies were notified that the Israeli air force was engaged in large scale movements. This information was consistent with other information supplied by air reconnaissance. Orders were issued afterwards to three MIG-21 fighter squadrons to take off and to prepare for attack. A short while after 11 [am] Israeli Kfir and Phantom airplanes began raiding Palestinian camps south of Sidon while two such squadrons bombarded the area of al-Damur south of Beirut where many Palestinian civilians reside. Orders were issued to the first squadron of Syrian fighter airplanes to resist the Israeli airplanes over al-Damur. But it seems that the Israeli pilots were warned by their observation [staff] that the Syrian air force had attacked so they fled quickly southward. The Israeli airplanes were chased by the Syrian squadron which was made up of six airplanes. When the Syrian airplanes flew beyond southward the City of Sidon, they were surprised by an attack from two squadrons of F-15 airplanes. These are the most modern airplanes produced so far by U.S. technology. It was the first time for these airplanes to participate in an air battle.

When the F-15 airplanes attacked the Syrian airplanes, a serious matter that had not been expected took place, and an alarm was sounded about what may happen in the future in any battle between Syria and Israel. Advanced electronic equipment with which the F-15 airplanes are equipped were able to scramble messages relayed on the telecommunications devices between the Syrian pilots on the one hand and between the pilots and their ground command on the other. They jammed all channels of communication and also the radar

devices on the Syrian airplanes, rendering them inoperative. In addition, the battle was not a balanced one: it was a battle between an advanced weapon and a relatively old one. Furthermore, the participation of the F-15 airplanes in the battle was a surprise because the United States had stipulated when it gave Israel the F-15 airplanes that Israel use these airplanes in self-defense only. Consequently, the Syrian command was not expecting Israel to use these airplanes in its attacks on Lebanon. Otherwise, Syrian would have met these airplanes with its MIG-23 airplanes.

The Syrian command dispatched air support during the battle, but this support arrived late. It was noticed that the reserve Syrian airplanes that were dispatched to the battle had for the first time flown beyond what is known as the red line. They had reached the air space of Marja'yun, or a distance of 3 km from the Israeli borders, without finding any traces of Israeli airplanes.

As soon as the battle was over, President Carter and his Secretary of State Vance were notified. They were in Tokyo at the time. The United States and other western countries quickly intervened and asked that "restraint" be exercised. Reaction from Damascus was sharp. Official sources in Damascus stated, "We will not permit the annihilation of the Palestinian people, and we will interfere whenever that become necessary."

Official Syrian sources also told AL-MUSTAQBAL that the political decision to resist the Israeli airplanes that were raiding Lebanon had actually been made about 5 weeks earlier and that that decision had been made despite the political, military and economic consequences that would ensue.

The question that remains pending and attracting attention is this: will this scuffle remain a mere isolated incident, or will it turn into a military confrontation between Syria and Israel?

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INVESTMENT OPPORTUNITIES IN SYRIA

Paris AL-MUSTAQBAL in Arabic 21 Jul 79 p 33

[Article by Yasir 'Adb Rabbuh in Damascus: "Economics: Syria Opens Its Borders to Investors and to Arab and Foreign Capital; 7 Million Square Meters for Free Zones in Damascus, Aleppo and on the Syrian Coast"]

[Text] Why are free zones being set up in Syria? What are free zones? Is there an incompatibility between the existence of free zones and the existence of a socialist regime in Syria?

AL-MUSTAQBAL raised these questions with Dr Taha Bali chairman of the board of directors and director general of the Public Organization for Free Zones. Dr Bali holds a doctorate degree in economics from the University of Paris. He had represented Syria in many conferences inside the Arab homeland and abroad.

Dr Bali said, "Ever since ancient times the excellent geographical location of the Syrian Arab country has made it the connecting link between the countries of Europe, Africa and Asia. It is the bridge across which merchandise and goods are carried among the different countries of these continents.

"The coast of Syria which stretches for 178 km on the Mediterranean and houses the two important modern ports of Latakia and Tartus places the country in close contact with all the countries of Europe and America. Modern international communications headed towards the east connects the Syrian Arab country with all the countries of the Arab region in Asia and then with Iran and with the other Asian countries.

"The creation of the Public Organization for Free Zones in Syria was an expression of the concern officials have for utilizing this excellent geographical location and the historical commercial relations [that our people have had] to realize maximum benefits for our growing national economy.

"As far as your question about the identity of the free zones is concerned, let me say briefly that free zones are certain parts of the national territory that are set apart from customs. Merchandise and goods entering into

the free zones, therefore, are exempt from customs fees and are not subject to the economic restrictions and laws that are in effect in the country. For example, one may import into the free zones all the goods whose import has been prohibited, suspended or restricted by a public sector agency. One may also quite freely export these goods to foreign countries.

"Those who conduct business in free zones may benefit from them in one of the following two ways:

"1. They may lease a vacant lot inside the free zone which has all the facilities--roads, sidewalks, sewage, utilities, etc.--and they can build their factories or their warehouses on this land. They would pay an annual rent for a maximum period of 15 years for commercial investments and 20 years for industrial investments. It is stipulated that ownership of the buildings revert to the organization when the lease expires. If both parties agree, the lease may be renewed with new conditions after its expiration.

"2. They may store their merchandise in the public warehouses, courtyards and enclosures that are built by the organization in the free zone. They would pay a storage fee that is determined in the investment law. They may also carry out conversion, packaging and canning operations in the public warehouses.

"People who invest in free zones and store goods there enjoy benefits and advantages. Syrians, Arabs and foreigners receive equal treatment. These benefits may be summarized as follows:

"1. They may benefit from Syria's excellent location as a connecting link between different European and Asian countries and Middle Eastern countries. They may also benefit from the multiplicity of free zones in Syria and the fact that they are scattered in different coastal and inland areas (the port of Latakia, the port of Tartus, Damascus International Airport, Damascus, Aleppo, Dar'a).

"2. They may benefit from the expertise of Syrian labor and the reduced production costs in Syria, compared with other countries, with regard to the prices of primary materials, wages and allowances for different services such as water, electricity, telephone and transportation.

"3. They may benefit from the sections made by the Public Organization for Free Zones. These are placed at the disposal of investors and are provided with all the utilities--roads, sidewalks, sewage, electricity lines and telephone [lines], etc. Investors can thus build their factories and their warehouses in accordance with long-term leases (15 years for commercial investment and 20 years for industrial investment) for which they make small annual payments.

"4. They may take advantage of the public warehouses, courtyards and enclosures for storing merchandise, goods and materials, and they may have such materials guarded, protected and insured for small fees.

"5. They may freely bring merchandise and goods into the free zone for storage. They may also bring into the free zone the primary materials that are needed for the industries that are operating in those areas. Such materials are exempt from customs fees and from foreign trade provisions--the import license, provisions on prohibiting, suspending and restricting imports, etc. They may carry out a variety of conversion and manufacturing operations on this merchandise and on these goods; they may relinquish them in the free zone; they may export them freely; or they may import them into the country in accordance with the provisions of effective laws and special exemptions affecting the free zones.

"6. Goods exported from Syrian free zones to Syria are exempt from the condition requiring a prior import permit. They are also exempt from the condition of importing from the country of origin if the imported merchandise was directly imported from the country of origin into the free zone.

"7. Goods manufactured in Syrian free zones may be brought into Syria without being subject to import prohibitions, restrictions and suspensions at a rate of 20 percent of the value of exports.

"8. Investors may benefit from incentives, benefits and special exemptions in banking, customs and tax areas. These are granted by industrial and commercial investment laws that are in effect in the free zones.

"Naturally, our national economy gains numerous advantages from the establishment of these zones. The most important of these benefits are:

"1. Attracting capital from those who have emigrated as well as Arab and foreign capital, investing it in benefiting from its income in foreign currency.

"2. Export industries can be established in the free zones and their revenues from the foreign rate may be utilized.

"3. Local manpower is employed, and local primary materials are used in industries that are established in the free zones.

"4. An adequate supply of different kinds of goods is stored, and this supply can be turned to insure the country's developmental, consumer and defense needs whenever necessary.

"5. Additional revenues for the country resulting from investment operations in the free zone are guaranteed.

"6. New advanced industries that would raise the standard of Syrian labor and create skilled workers are established.

"7. Tourism is stimulated, and the social standard of the country is raised.

"As you see, the existence of this area and the freedom which investors enjoy in the free zones is not at all incompatible with the existing socialist regime in Syria. On the contrary the country reaps benefits that we have already enumerated from the existence of these zones. Investors realize benefits as a result of conducting business freely in the free zones. In addition, there is an important fact: the world today is shrinking."

Dr Bali exclaimed, "Do you know that Japan has begun seriously thinking of utilizing the bottom of the sea? Here in Syria we have designated 7 million square meters for the free zones. This area is divided as follows:

- "1. Damascus, 4 million square meters;
- "2. Aleppo, 1.5 million square meters;
- "3. Latakia, 750,000 square meters;
- "4. Tartus, 500,000 square meters; and
- "5. Damascus Airport, 250,000 square meters.

"These areas cannot be set aside in any European country. In addition, these large areas have all the services--telex, banks, telephones, railroads and land transportation. Before I conclude my statement I would like to say that Syria has an intelligent labor force whose costs are low when compared with the costs of labor in the Arabian Gulf, in Saudi Arabia or in Europe. In addition, the Syrian labor force has been able to adjust quickly and successfully to modern technology.

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